

QUARTERLY TASK ORDER
PROGRESS AND
COST REPORT

JANUARY THROUGH MARCH
2006

LOCAL GOVERNMENT
ASSISTANCE INITIATIVE IN
CENTRAL AND
EASTERN EUROPE AND THE
NEWLY INDEPENDENT
STATES

Prepared for



Prepared by

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Local Government Assistance Initiative in Central and Eastern Europe
and the Newly Independent States
United States Agency for International Development
Contract No. EEU-I-00-99-00015-00



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April 2006
UI Project 06901

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QUARTERLY TASK ORDER PROGRESS AND COST REPORT

JANUARY TO MARCH 2006

LOCAL GOVERNMENT ASSISTANCE INITIATIVE IN CENTRAL AND EASTERN EUROPE AND THE NEWLY INDEPENDENT STATES

BACKGROUND

This contract is aimed at supporting more effective, responsive and accountable local governments by providing the United States Agency for International Development (USAID) Missions and regional programs in Europe and the former Soviet Union with a source of expertise and leadership in critical technical areas related to local government. Throughout the last ten years USAID has been supporting countries of the Central and Eastern Europe (CEE) and the newly independent states (NIS) regions during their transition from centralized government systems to decentralized ones based on market principles. This support has been provided through technical assistance (TA) and training in democratic local governance, local public administration and urban development. This contract aims at continuing support to these countries. The five categories under which Task Orders (TOs) may be issued include the following:

Legal Sustainability and Policy Framework

- Assist in fostering and formulating a policy dialogue between national government, local government and municipal government associations on intergovernmental relations and the roles and responsibilities of local governments; gather and analyze data and prepare assessments related to local government.
- Review and provide guidance on national policies and legislation affecting local government. Policy guidance should include assistance in drafting relevant legislation and implementing existing laws and regulations that impact local government structure and the delivery of services.

Democratic Process

- Assist municipalities and other levels of government to expand the information available to the public. To reach out to encourage citizen participation making their operations and decision-making processes more transparent; advise non-governmental organizations (NGO) and community-based groups on ways to enhance and increase public participation in relation to local government.
- Provide advice and assistance (directly and through municipal associations and other organizations) to local governments wishing to modernize their administrative and operating procedures. Help municipalities to streamline their systems and procedures to make them more "user-friendly"; help to improve and expand computerization capabilities and to identify new computer-based applications; improve the quality of data and the transparency of operations.

- Provide advice and assistance to increase the role of citizens and NGO's in local government decision-making such as: public utility operations and management; municipal budgeting and project financing; and land use and physical planning.

Financial Resources

- Assist municipalities to modernize their budget processes and increase transparency by adopting modern approaches such as task or performance based budgeting, strategic planning for capital expenditures, making the budget publicly available and application of internationally accepted accounting principles.
- Advise national and local governments, and associations of municipalities as to equitable and transparent transfer payment systems; help local governments to develop and implement appropriate ways to generate "own-source" revenues; advise associations of municipalities on promoting fiscal decentralization; advise on specific and comparative revenue generation methodologies and collection systems permissible under national law (property taxes, permits, licenses, user fees, etc.).
- Assist in developing municipal credit markets by providing technical assistance and training to national governments, municipalities and financial institutions; comment on and help to draft legislation to permit and to regulate municipal borrowing through commercial loans or public offerings (municipal bonds); advise on financial oversight requirements, establishing credit ratings, etc.
- Advise national and local governments on housing finance and related housing sector issues; review and comment on housing sector legislation; work with banks and other financial institutions to develop new mortgage instruments to make shelter more affordable and available to a wider range of households.
- Develop credit programs through USAID's urban environment credit guaranty program or the development credit authority in support of policy change or global climate change objectives.

Municipal Services and Assets

- Assess current conditions and offer recommendations to municipalities, ministries, public service providers, associations of municipalities and others to modernize the management and operations of public utility systems and other municipal services; to privatize such systems or involve private participation when so doing would result in improved service delivery; to consider provision of services by NGOs or CBOs; to separate service provision and regulatory functions; to assist in designing pricing mechanisms for urban services which are based on sound cost recovery principles; and to assist in the regionalization of targeted services where appropriate.
- Advise localities on the appropriate disposition or management of other municipally held assets including commercial enterprises and facilities, shelter, undeveloped land, etc.;



advise on improving the housing stock through privatization of ownership, condominium development, private management, maintenance and rehabilitation.

- Assist in establishing land titling systems, zoning and property ownership registries; develop housing finance systems and propose appropriate construction and mortgage finance instruments for new housing, rehabilitation/renovation and resale's.
- Advise municipalities on strategies and approaches to local economic development; assist them in analyzing the strengths and weaknesses of the local economy; help them to plan programs and adopt policies that are business friendly and will benefit the community at large.
- Design open and competitive systems for the procurement of goods and services; assist in the implementation of such systems and train appropriate local government personnel.
- Work with national government on decentralizing specific services and assets to local governments, groups of local governments, or private companies as appropriate, based on service, economic and administrative efficiencies; assist in establishing regulatory policies and agencies.

Institutional Support Systems

- Provide advice and assistance to municipal and professional organizations representing city interests before the national government or otherwise dedicated to improving the performance of local government; provide advice and assistance to non-governmental and community-based organizations to enable them to fully participate in collaborative, constructive colloquies with local governments.
- Undertake technical and managerial training of local government and related personnel (and central government staff as appropriate) in areas intended to improve municipal performance, professionalism, ethical standards, transparency, responsiveness and effectiveness. Such training can be carried out directly or through universities, training institutions or by other appropriate means; train trainers so that future training efforts can be implemented locally and institutionalized within an indigenous organization.
- Organize regional, national and sub-national conferences; workshops and intra- or inter-country observational visits to promote free discussion and the exchange of ideas and experiences on urban development, local public administration and democratic local governance. Gather data and publish information on "innovative practices" at the local level and on other urban topics for national or regional distribution.
- Work with national and local urban-related institutions, local universities, foundations, "think-tanks" and consulting firms in order to support urban research, public administration curricula and intellectual thought and to build a cadre of professionals schooled in democratic, free-market approaches to local governance and urban development.

CONTRACT PROGRESS REPORT

As required by Section F.4 of the Local Government Contract, below is a description of the ongoing and completed Task Orders. The following table provides a useful reference.

LGA TASK ORDER	USAID TO	UI NO.	BUDGET	PERIOD OF PERFORMANCE
Current Task Orders				
Moldova Local Government Reform Project	806	007	\$11,348,206	February 1, 2000 to July 31, 2007
Central Asian Republics Local Government Initiative Phase II	811	015 016, 017, 018	\$13,585,873	September 30, 2002 to September 29, 2006
Albania Local Government and Decentralization	813	020	\$4,099,995	July 26, 2004 to July 31, 2007
Completed Task Orders				
Albania Local Government Initiative	02	010	\$476,432	March 31, 2000 to December 31, 2000
Armenia Earthquake Housing Activity	801	002	\$399,900	July 19, 1999 to December 31, 2000
Armenia Local Government Program Phase II	812	019	\$1,899,362	May 19, 2003 to May 18, 2005
Bosnia Real Estate and Property Management	800	001	\$90,043	May 12, 1999 to March 1, 2000
Local Government Regional Roundtables	01	003	\$38,375	September 20, 1999 to January 31, 2000
Slovakia Housing Allowance Program	802	004	\$178,259	September 13, 1999 to July 31, 2000
Russia Improving Social Service Delivery Project	803	006	\$1,550,000	September 30, 1999 to August 29, 2001
Armenia Local Government Program	807	008	\$4,205,721	January 18, 2000 to January 17, 2003
Croatia Local Government Reform Project	808	011	\$6,259,895	June 1, 2000 to January 31, 2004
Armenia Earthquake Zone Housing Certificate Program	804	009	\$1,998,905	March 20, 2000 to September 29, 2001
Course on Intergovernmental Fiscal Relations and Local Financial Management	04	014	\$102,274	April 2, 2001 to August 15, 2002
Kyrgyzstan Local Government Initiative	805	005	\$4,515,661	October 1, 1999 to September 30, 2002
Georgia Local Governance Reform Initiative	809	012	\$6,640,576	September 15, 2000 to November 30, 2004
Albania Decentralization Initiatives	810	013	\$5,812,907	September 26, 2000 to December 25, 2004



MOLDOVA LOCAL GOVERNMENT REFORM PROJECT—06901-007
USAID TASK ORDER NO. 806

Contract and Task Order No.:	EEU-I-00-99-00015-00, Task Order No. 806
Date of Issuance:	February 1, 2000
Amount Obligated Under Task Order:	\$9,099,793
Total Potential Task Order Amount:	\$11,348,206
Dollars Expended To-date:	\$7,806,846
Key Personnel:	Duane Beard, Chief of Party, dbeard@lgrp.md Andrew Popelka, Incoming Chief of Party apopelka@lgrp.md Tel: +323-22-233-000

BACKGROUND

In February FY 2000, the United States Agency for International Development (USAID) issued a Task Order to the Urban Institute (UI) to implement a Local Government Reform Project (LGRP) in Moldova. The project aims to support a local government reform agenda with training and technical assistance (T/TA). Specifically, the project is working to increase the amount and control of revenues for local governments, improve municipal services management, develop institutional support for local government and municipal services and improve transparency, citizen participation and strategic planning in local governments. In July FY 2004, USAID amended the Task Order with the Urban Institute (UI) to continue implement the Local Government Reform Project (LGRP) in Moldova through July FY 2007. The amended Task Order continues the work of the project to assist in establishing legislation and implementing regulations towards decentralization; build the capacity of municipal officials to implement reforms and improve delivery of services; strengthen the capacity of indigenous organizations and association(s) relevant to local governments and to assist with the implementation of 150 demonstration projects to support implementation of adopted community strategic plans in partner communities.

HIGHLIGHTS

- During January, LGRP conducted a preliminary impact evaluation of several school heating projects implemented in LGRP Partner communities as part of LGRP community strategic plan implementation demonstration projects. Mayors of five LGRP communities, Molesti (Ialoveni), Selemet (Cimislia), Gribova (Drochia), Niculaeuca (Orhei), Colibasi (Cahul), were interviewed regarding the heating situation in their schools. All five communities have implemented in 2005 heating renovation demonstration projects with support from LGRP. The week of 22 January 2006 was one of the coldest weeks that Moldova has seen in more than twenty years. Temperatures dropped to the level of 27C below zero. Many schools nationwide were closed, however all the LGRP partners, which implemented a school heating project, were able to keep their schools open, with the exception of one, which was ordered by raion authorities to close in spite of the fact that temperature was comfortable for regular school classes.

- On 27 January, LGRP hosted a round table discussion to review the existing environment for developing a democratic and decentralized local government in Moldova. The precipitating causes that triggered the need for the roundtable was a proposal by the GoRM to create a "ministry of local public administration". More than 20 key individuals including ten (10) mayors from LGRP partner local governments, Corneliu Rusnac - USAID/CTO and other representatives of public interest NGOs, think-tanks and local government associations participated in the round table discussion. Participants exchanged opinions regarding environment in which local governments operate currently. Specific attention was paid to the major document *"Monitoring Report and Recommendation of the Council of Europe on Local Democracy in Moldova"* issued several months ago. Overall, the discussion revealed a significant lack of consensus and major disparities among the opinions of participants. The discussion identified some of the issues and collected some ideas for future consideration. A related issue that was brought up was the need on improve/expand LGRP "rule of law" legal assistance to local governments concerning decentralization issues and local government operations. Many local governments are being faced with a serious lack of access to legal opinions concerning critical aspects of local government operations.
- In February, LGRP Fiscal Improvements Team launched a hot-line to support the Integrated Municipal Financial Software (IMFS) being implemented at LGRP partners. The purpose of the hot-line is to offer assistance on encountered issues during use of IMFS at the Ialoveni pilot test sit, with the goal of extending this kind of support to all LGRP partners. Four instructors from among the pool of IMFS trainers were hired to operate the hot-line. The hot-line is active daily between 9am - 5pm.
- Business Consulting Institute (BCI), an indigenous Moldovan organization subcontracted by the UI in May 2005 on the basis of a Request for Proposal (RFP) to assist LGRP partners in developing/updating and adopting community strategic plans, submitted to LGRP the final report covering their activities. The report was evaluated by the Democracy and Governance Specialist and comments were conveyed back to BCI. Overall, the subcontractor complied with all provisions of the contract, delivered quality services and timely reports.
- In the reporting period, community strategic plans of the following LGRP local partners were adopted: Cristesti, Pohrebeni, Razeni, Cojusna and Olanesti, Pelinia, and Cazaclia. Since the beginning of FY 2006, 10 LGRP partner local governments officially adopted strategic plans by legislative decision.
- During the reporting period, LGRP partner communities continued to implement adopted community strategic plans via the completion of demonstration projects.
 - On 26 January, the community of Dubasarii Vechi opened its newly renovated school building. Beneficiaries of the Dubasarii Vechi School Renovation Project include 1,200 students and 40 teachers.
 - On 27 February, the community of Talmazza celebrated the project opening of "School Heating Renovation Project". Beneficiaries of the project are 492 students, 60 teachers and 37 maintenance staff.
 - On 28 February, LGRP partner of Copceac successfully implemented the "Water System Renovation Project". Beneficiaries of the project are 5,148 citizens.



- During the reporting period, LRGP conducted a competitive “call for new local government partners” for FY 2006. An initial introductory orientation session for LGRP Potential New Local Government Partners was conducted on 30 March at the LGRP training center. The aim of the orientation was to acquaint eligible representatives of first level government in Moldova with the opportunities for future cooperation with LGRP. 21 municipalities attended the event. Participants were introduced to all aspects of partnership with LGRP. Applications from potential partners are requested by 10 April 2006.

PROGRESS OF MAJOR ACTIVITIES

Training and Technical Assistance

- In order to prepare LGRP partner communities to implement Integrated Municipal Financial Software (IMFS), Fiscal Improvements Team initiated a survey to assess additional needs of training in microcomputers for a broad range of public servants. The Fiscal Improvements Team processed the results of the survey and assessed the additional needs of training in microcomputers for staff. Additional training on microcomputers has been scheduled, as well as groups for further training on IMFS, which Fiscal Improvements Team is planning to organize in parallel for several groups of accountants.
- In the reporting period, the Fiscal Improvements Team organized the third Training of Trainers (ToT) on IMFS. The group of trainees consisted of representatives from 6 localities (Calarasi, Donduseni, Comrat, Soroca, Singerei, Ungheni), two representatives from the Balti Training Center, and four instructors from local training centers that will provide in the future courses on IMFS for LGRP partners. This was the third round of ToT, which was designed for the implementation of IMFS in those communities whose representatives attended the seminar, as well as preparation for the training at the regional training centers, whose trainers passed ToT.
- On 30 March, LRGP conducted a competitive “call for new local government partners” for FY 2006. An initial introductory orientation session for LGRP Potential New Local Government Partners was conducted at the LGRP training center. The aim of the orientation was to acquaint eligible representatives of first level governments in Moldova with the opportunities for future cooperation with LGRP. According to USAID-Moldova information, only large jurisdictions with populations of 5 thousand and more are considered currently viable as the potential pool of new LGRP local partners. Mayors of 43 jurisdictions were invited to the orientation session - 21 attended the event. Participants were introduced to all aspects of partnership with LGRP. Mr. Corneliu Rusnac, USAID/Moldova Project Management Specialist and CTO for the project, opened the event with a keynote address to the participants. The Chief of Party (CoP) briefed the local officials concerning the main components of LGRP and the program approach. Each LGRP team introduced mayors of current partner communities to discuss respective team activities. LRGP staffers' presentations were complemented by presentations from the mayors of Ialoveni, Ceadir Lunga, and Floresti, who talked about the benefits and responsibilities of being a LRGP partner. Significant time was spent on defining the assistance provided by LGRP and the obligations of local government partners. LGRP provided application forms and other detailed information at the session. Completed applications are due to LGRP on 10 April 2006. A panel comprised of LGRP

team leaders will select the new LGRP local partners in accordance with the selection criteria previously approved by USAID.

- On February 10, the Municipal Services Team conducted short assessments on Water Consumers Associations operations in Nisporeni-Ciurleasa, Bolduresti, Zberoaia, Balauresti, and Cristesti. The scope of the assessment was to specify main activities and prepare recommendations for follow up activities. The data and information request (DIR) included inquires regarding the technical, accounting/financial, management aspects of Water Consumers Associations activities (such as system description, metering equipment information, tariff setting and tariff structure, billing and collection, budgeting and reporting, ownership etc.). Also, the DIR included specific inquires regarding the training needs of Water Consumers Associations. The result of the assessment show that the common problems for the Water Consumers Associations are:
 - Lack of knowledge in accounting and fiscal legislation
 - Lack of pressure reducer valves
 - Lack of operational equipment

It is anticipated that LGRP, in cooperation with Swiss Agency for Development and Cooperation, will initiate a number of specific trainings for Water Consumers Associations on accounting, technical design, and legal aspects of concession.

General activities

- In January, a Democracy and Governance Specialist represented LGRP at the National Conference "Rural Moldova: Achievements of the Project, support to Rural Investment and Services Project", financed by the UK DFID. This event marked the completion of 6 years activity in the field of sustainable rural development provided to Moldova by the British government. Representatives of state institutions, donor's organizations, project beneficiaries, and NGOs attended the conference. Participants were exposed to information concerning the project's achievements in local business development, social development, and community partnership.
- In January and February, the LGRP Training/Organizational Development Specialist participated in a 2- day meeting on the National Training Strategy (NTS) for Local Governments hosted by the Council of Europe, in cooperation with the Academy of Public Administration. The goal of the meeting was to evaluate the progress to date and to plan the next steps of NTS development. LGRP represents the USAID on the steering group for NTS.
- On January 26, LGRP Training/Organizational Development Specialist attended a conference on Best Practices implemented by Council of Europe (CoE), which is a continuation to the program initiated by LGRP in 2003. The conference engaged approximately 30 mayors, representatives of GoRM, and National League of Mayors. This was one of the four conferences of this type that the CoE was organizing prior to the deadline of Best Practices submission, February 17.
- In February, LGRP Democracy and Governance Specialist represented LGRP in the evaluation committee of the Contact Center. Five communities submitted project proposals in the frame of projects for multiethnic communities in southern part Moldova. Two LGRP local partner communities, Ceadir Lunga and Leova, were approved to be financed by Soros Foundation.



- In March, LGRP participated at the National Forum for Fiscal Decentralization organized by the coalition of national NGOs, and supported by a number of donors (e.g., LGI and Soros Foundation). LGRP provided financial support for the participation for a number of representatives of LGRP partner-communities, both mayors and accountants, as well as representatives of the League of Economists and Public Accountants (LEPA). LGRP CoP Mr. Duane Beard presented during the plenary session a report on the potential benefits for Moldova from the implementation of an "ad valorem" property taxation. Fiscal Improvements Team Leader, Eugene Hritsev, together with Mayor of Floresti, Mr. Iurie Tap, presented a case study on financial autonomy based on Floresti.
- Also in March, LGRP Democracy and Governance Team Leader represented LGRP in the selection panel of the CoE Best Practice Program (BPP) 2006. The selection panel (seven persons) analyzed 78 applications received for the Best Practices Competition 2006, of which 34 nominations are from LGRP local partners. The panel compiled a short list of 15 nominations, with ten short-listed nominations from LGRP local partners.
- LGRP CoP and Democracy and Governance Team Leader met with W. Jan Brzeski and Marmaly, World Bank (WB) Specialists. The WB mission came to Moldova to gather information for a Concept Paper on reforming municipal infrastructure sector, particularly potable water and sewerage, heat and housing maintenance. The group discussed LGRP achievements to date, particularly the concept and operational cycle of demonstration projects. The WB mission was interested to learn more about the financial aspect of local public infrastructure in a broader context of decentralization. The Concept Paper will address the following key issues for the municipal services delivery: (i) the operational/institutional setting of municipal services, (ii) how to improve the financial capacity of local governance, and (iii) the role of donor assistance in these areas.

DELIVERABLES AND REPORTS

Preliminary list of work products produced in Q1, FY 2006

Fiscal Decentralization

1. Package for Integrated IMFS Users Group Meeting. This includes: invitation letters, agenda, presentations, and handouts.
2. Power Point presentations for Fiscal Decentralization Forum.
3. Power Point presentations of selected LGRP partners for Orientation session for potential LGRP partners.

Democracy & Governance

1. RFP package for competitive bid for strategic planning process for FY 2006.
2. Report on *Round table assessing the status of local governance in Moldova at the beginning of 2006*.
3. Approved community strategic plan of LGRP partner communities in Cristesti, Pohrebeni, Razeni, Cojusna and Olanesti, Pelinia and Cazaclia.
4. Orientation Package for potential new LGRP partners (agenda for orientation meetings, Statements of Cooperation, other materials)



Municipal Services/Demonstration Projects

Demonstration project full packages (including project close out and dedication ceremonies):

- Dubasarii Vechi - project on school building renovation.
- Talmaza - project on school heating renovation.
- Copceac - project on water system renovation.

PROBLEMS OR DELAYS AFFECTING PERFORMANCE

None at this time.

WORK PLANNED FOR NEXT REPORTING PERIOD

Fiscal Improvements

- IMFS User Group Meeting for the April 12-13.
- Meeting of the LEPA Board for the April 5.
- Regular meetings at Laloveni rayon on IMFS implementation.
- Organization for the seminar on Public Hearing on Budget for representatives from several rayons and the Ministry of Finance.
- Continuation of training on IMFS for the LGRP partner-communities.

Democracy & Governance

- Develop the concept on providing legal technical assistance (on-call advise, legal research assistance, etc) to the LGRP partners.
- Perform the preparatory work for strategic planning assistance 2006.
- Perform follow up and preparatory work for the advanced training program for Water Consumers Associations.
- Prepare paper work regarding the procurement of the web-designer to re-design and upgrade the LGRP web site.

Municipal Services & Demonstration Projects

- Selection of the demonstration projects on competitive basis (end of each month)
- Second phase of the Leak Detection and Pipe Location Program

SPECIFIC ACTION REQUESTED

None at this time.



**CENTRAL ASIAN REPUBLICS LOCAL GOVERNMENT INITIATIVE PHASE II—06901-015, 016, 017 AND 018
USAID TASK ORDER NO. 811**

Task Order No.:	EEU-I-00-99-00015-00, TO No. 811
Date of Issuance:	September 30, 2002
Amount Obligated Under Task Order:	\$13,685,873
Total Potential Task Order Amount:	\$13,985,507
Dollars Expended To-date:	\$11,795,162
Key Personnel:	Charles Undeland, Chief of Party

BACKGROUND

The project seeks to promote constituencies for decentralization, develop responsive relationships between local government and communities, and strengthen local governments' capacity to meet the community needs by providing integral service in the four Central Asian Republics. More specifically, the project will primarily focus on condominium promotion in Uzbekistan. In Tajikistan, the program will provide local government training supported by small-scale technical assistance. In Kyrgyzstan, the project will promote public participation techniques, support policy dialogue at the national level, and support housing reform by working with condominium associations.

MONTHLY TASK ORDER PROGRESS AND COST REPORT FOR JANUARY 2006

CENTRAL ASIAN REPUBLICS LOCAL GOVERNMENT INITIATIVE PHASE II

HIGHLIGHTS

Kyrgyzstan

- Winner selected in the Kara-Balta Park Concession
- Legal resources program launched with 4 cities involved

Tajikistan

- Public Hearing on Solid Waste Management and New Landfill Site in Jami District
- Study Tour on Housing Associations to Uzbekistan
- First Low Tech Solid Waste Management Workshops in Kanibadam and Istaravshan

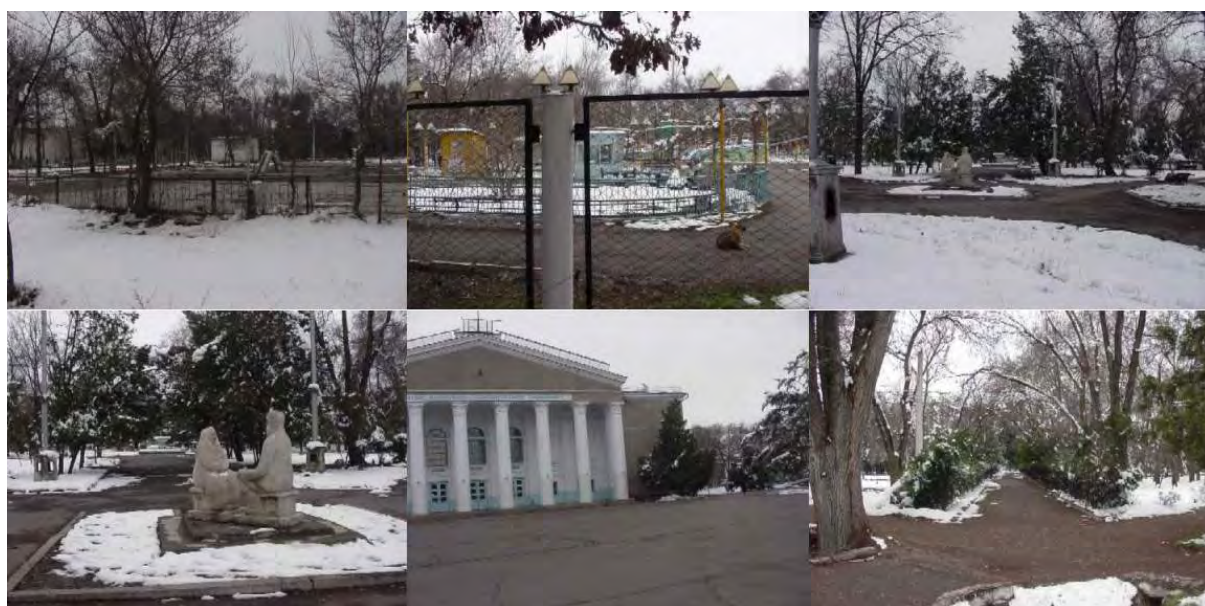
Uzbekistan

- Recommendations for TSJ boards on organizing annual meetings

SUCCESS STORY

Competition for Maintenance Contract in Kyrgyzstan Spurs Better Performance

Kara-Balta's local government agreed to work with USAID's LGI II Project implemented by Urban Institute to improve management of the city's central park. As a result, Kara-Balta is the second city in Kyrgyzstan, after Balykchy, to enter into a formal, contractually based, management arrangement for a municipal asset. Through a competitive procedure, the City Administration selected Joint Stock Company (JSC) 'Unified Service Entity' (KKP in its Russian language acronym) to manage the park for a period of five years. While the KKP previously was also loosely responsible in prior years, its participation in the competition led it to offer far better terms for the city and its citizens.



The decision to conduct the competition grew out of a realization that the condition of the park was deteriorating. Over the years maintenance of the park has diminished, there were no longer any trash bins, the benches had fallen into disrepair, the public toilet stopped working, and the quality of services were overall quite low.

The management contract was awarded through a competitive and transparent procedure. A competition was announced in mass media on December 4, 2005 and invited all interested parties to obtain bidding documents at the Kara-Balta City Administration. The terms of the competition were the best range of services in maintaining the park and its facilities in return for a fixed amount of payment from the city government that was equally to what it had budgeted previously (approximately \$11,000). The city required several works as part of the proposed contract, including free access, swimming pool upkeep, working water fountains, and park maintenance, including lighting and maintenance of a minimum number of garbage bins. The compulsory requirements were developed by the City Administration based on a sociological survey which was conducted to ensure that citizen's priorities were addressed. These services will be a substantial improvement and are a big step in returning the park to its previous condition.

Thereafter, the City Administration invited all interested parties to an open meeting on January 16. During this open meeting, the City made a presentation on the competition guidelines, including how



bids would be evaluated and instructions on how the bid applications should be completed, and invited questions. This ensured that all parties had equal access to information. On January 20, three bids were publicly opened by the Evaluation Committee which was composed of staff from the City Administration, local kenesh deputies, and NGO representatives. The three bids were submitted by JSC CD #4, Jirgal LLC and JSC KKP. The Evaluation Committee met on January 27 to select the winner.

JSC KKP was selected as the winner because of their commitment to provide additional capital improvements on top of what is required by the City. In addition to the requirements above, JSC KKP will provide an additional 520,870 Som (\$12,700 USD) of investment for renovation of the existing public toilet; installation of four additional drinking fountains; installation of an additional 40 garbage bins and 4 garbage containers; installation of a fence around the pool; and restoration of the park benches and central fountain.

The City will pay JSC KKP 460,000 Som (\$11,220 USD) per year for particular services including sanitation and greenery of the park. This is the amount that the city would annually budget per maintenance. The specific quantity of services and their cost that will be purchased from the JSC KKP by the City will be determined each year. In addition, JSC KKP anticipates additional revenues from fees for rides and entrance fees for the swimming pool and discotheque and sub-leasing land within the park for services such as cafes, karaoke stands, etc. JSC KKP has the right to keep any profit earned after their compulsory obligations are met.

This partnership in Kara-Balta illustrates the efficiency of using competitive procedures. JSC KKP was previously responsible for providing maintenance in the Park as part of a larger service agreement with the City. However, because of the lack of competition, the lack of oversight provided by the City, and poor payment discipline on the part of the City, the quality of the services were extremely low. The City only paid JSC KKP when funds were available. The JSC KKP provided limited services. Never before has the relationship between the City and JSC KKP been governed by a contract, binding each side to fulfill its obligations. Instead, oral arrangements were made on an annual basis. This new five year contractual arrangement will enforce the commitments made by each side and allow JSC KKP to financially plan for the medium term, ultimately resulting in a much better use of budget funds and a much higher level of service.

The citizens of Kara-Balta have endorsed the use of a public-private partnership to manage the Park; and they now cherish some hope to see their beloved park the way it used to be when they were children.

KYRGYZSTAN ACTIVITIES/DELIVERABLES

Supporting Policy Change at the National Level (Task 1)

Cooperation is underway with the Head of the National Agency on Local Self-Government Affairs, Mr. Bolotbekov. Mr. Bolotbekov requested a meeting with Urban Institute to discuss several components of the LGI II project and several current issues pertaining to local self-government. In particular, he asked for additional information on Urban Institute's training plan for the life of the project, a draft of the amendments to the LSG/LSA Law, and an overview of the current fiscal decentralization situation. During the meeting, UI provided a draft of the LSG/LSA Law amendments. Although the draft LSG/LSA Law amendments had ultimately been produced by the Ministry of Local Self-Government,

following the meeting, the Agency on Local Self-Government Affairs developed additional comments on the draft amendments. This is a positive indicator that Mr. Bolotbekov plans to be involved in getting these amendments passed. UI will discuss their comments and review the draft law with them in the beginning of February. In a separate meeting, UI's training program and other activities were discussed as part of a government effort to achieve better coordination. UI's training programs and governmental training activity in the regions realized by the Academy of Management were discussed. UI provided its prospective schedule of training for Kenesh deputies for the remainder of the project to the National Agency.

A Government Decree on January 23 approved the structure of the National Agency on Local Self-Government Affairs. The decree allows for a total number of 28 staff including the Director, and divides the Agency into four different departments including: 1) Organizational and Legal Department; 2) Department to Control Functions and their Execution by Municipalities; 3) Department on Financial and Economic Development of Local Self-Governments and Social Mobilization; and 4) Department on Financial Reporting, Personnel Policy, and Record Keeping. Each department has six people, plus the Director, the Deputy Director, the Advisor, and the Stats Secretary. The Deputy Director of the Agency, Mr. Mamasadik Bakirov (the former Mayor of Osh) was appointed on December 15 by Presidential Order. Preliminary assessment of the staff hired indicate both a lack of qualifications and a lack of experience in local self-government.

UI provided Ministry of Finance with spreadsheets and a simple database to gather data required to address shares of shared taxes and a model for intergovernmental finance issues. Because of the inconsistencies in the database on local budgets for 2002-2004 provided by the Ministry of Economy and Finance, UI, the World Bank and Ministry of Economy and Finance specialists decided to use an individual data request for each oblast. The new data request for each particular oblast contains reports for each and every LSG and rayons in the oblast. Within the electronic data request form, LSG reports will be linked to rayon reports and rayon reports will be linked to the oblast report thereby ensuring data consistency. In addition to designing and drafting the new data request forms, UI developed instructions on how to fill out the data request. The oblast specific forms and the instructions have been provided to the Ministry of Economy and Finance for distribution to the oblasts.

UI has prepared a Cooperation Agreement with the Ministry of Economy and Finance in order to facilitate the implementation of new intergovernmental budget relations. Within the framework of this agreement, UI will provide one desktop computer to the Department of Local Budgets for work on the local budget database and implementation of equalization grant formula. The agreement was sent to the Ministry of Economy and Finance for signature.

Asset Management (Task 2A)

A one-day training on evaluation of Kara-Balta Park bids was conducted for the Evaluation Committee on January 19. The Evaluation Committee, which was established by the City Administration, will evaluate the competing applications and choose the winner of the competition. All Committee members participated in the training. The agenda included presentations on the following: 1) an overview of the concession project; 2) the Park Concession regulation; 3) the Park Concession draft agreement; 4) the park financial model; 5) the rules of the bid assessment; and 6) a case-study. The case study consisted of an evaluation of two artificial concession bid applications and selection of the winner.



A concession pre-competition meeting in Kara-Balta was conducted on January 16. All interested parties were invited to hear presentations from the City and to ask questions. Three different local parties attended the meeting. The agenda included a short presentation of the concession project, guidelines for evaluation of bid applications, and a detailed explanation of the bid procedures and requirements for the bid application.

Bids for the concession competition on the Kara-Balta Park were publicly opened on January 20. All interested outside parties and members of the Evaluation Committee were present. Three proposals were submitted to the Evaluation Committee, all of which were from local Kara-Balta companies. The bid opening was transparent, with the Committee Secretary unsealing and announcing each bid in front of local media, local officials, and representatives of the bidders. One

bid, from JSC KKP, included capital improvements over and above operating costs to be covered by the city budget allocation and revenues from facilities in the park. The proposed additional investments for 520,870 Som over the next five years above what was required included renovation of the existing public toilet; installation of four additional drinking fountains; installation of an additional 40 garbage bins and 4 garbage containers; installation of a fence around the pool; and restoration of the park benches and central fountain.

Review of Bids			
Aggregate 5 Year Financial Plans	JSC KKP (winner)	Jirgal Ltd.	JSC CD #4
Total operating revenue	4,044,050	3,856,082	3,856,082
Total operating expenses	3,331,956	3,382,066	3,382,066
Capital investment	520,870	-	-
Final score	721	440	490



Evaluation Committee Congratulates the Concession Winner

A winner was selected in the Kara-Balta Park concession competition on January 27. Highlights of the three proposals are shown in the table along with final scores for each proposal. The winner of the concession is the KKP, the entity that was previously performing the work. However, under the new concession arrangements, the quality of service is expected to be much higher (*see Success Story for more details*).

The Osh City Administration and UI began an inventory of municipal lands. As previously agreed with the City Administration, a land inventory team was established to inspect central city zones and identify any un-owned, vacant land parcels within the City. The inventory team includes twelve independent land specialists who were selected and hired by UI. According to the team's scope of work, it must tour the central zone, inventory vacant land parcels and map them. To date, the inventory team has completed about 30% of the planned work

The Karakol City Administration began an inventory of vacant municipal lands. Karakol is the first city to independently begin inventorying vacant municipal land without intense technical assistance from UI. UI's role has been to provide regular consultations, but does not have the resources to hire and oversee the land inventorization work in the manner provided to Jalal-Abad, Osh, and Bishkek). Following the presentation of the Jalal-Abad land inventory experience during UI's Asset Management

Best Practices Seminar in October, Karakol City Administration created a land inventory team to inspect the central city zones and identify any un-owned, vacant land parcels within the City. The inventory team includes land specialists from the City Administration, the local office of GosRegister, and local NGOs. The inventory team is assessing the central zone, inventorying vacant land parcels and mapping them. To date, the inventory team has completed about 60% of the planned work. Work is being conducted by the city in conjunction with a local NGO, Leader, which received funding from the Soros Foundation-Kyrgyzstan.

Municipal Utility Enterprises (Task 2B)

UI is currently preparing for a series of 3 regional (Bishkek, Osh, and Jalal-Abad) 1-day seminars to be held in late February in conjunction with ARIS on the legal relationship between utilities and local-self governments. Approximately 5 participants will be invited from 23 cities (excluding Osh and Bishkek) including the Mayor/Vice Mayor, the Head of the Municipal Property Department, a local kenesh deputy involved in municipal service issues, the head of the vodokanal, and the head of the integrated public utilities provider (KKP). The seminars will focus on legal issues that relate to communal services, revised Model Charters for vodokanals and KKP, Model Procedures/Agreements for vodokanals and KKP, as well as a Model Contract for Services (Purchase Order) between the KKP and City. In addition to these documents which are already prepared, UI will also draft sample reporting formats that are required in the Model Procedures.

Competitive procurement for services to conduct the Customer Satisfaction Survey is underway. In order to conduct the survey more effectively, 25 cities were grouped into 8 regions (by oblasts and one oblast was split into 2 regions). The letter soliciting separate bids for conducting the survey in each region was sent to three major sociological companies in Bishkek and several NGOs located in the regions. The surveys will be conducted in February and are expected, among other things, to inform the 2007 budget preparation process.

Implementation of the billing and collection software is ongoing at Tokmok Ecolog and Tokmok Vodokanal. At Tokmok Ecolog, customer information and balances of individual customers are being updated. At Tokmok Vodokanal, the assigned specialist is being trained how to use the program; and customer information and balances of individual customers are also being updated.

Financial Management (Task 2C)

Four more cities including Sulukta, Shopokov, Uzgen and Jalal-Abad decided to conduct a formal review of the implementation of the City Strategies. This brings the total to seven, including Balykchy, Kyzyl-Kia and Karakol which have already or are in the process of monitoring the results of City Strategy Implementation. These four cities will conduct monitoring by the end of February and thereafter will submit the results to the local Kenesh for approval. Balykchy City Administration, which already conducted city strategy monitoring (the results of which were included in the November 2005 report) presented the results to the City Kenesh on January 21. Karakol City also conducted initial monitoring and is processing the results before submission to the local kenesh.

Empowering Locally Elected Councils (Task 2D)

The training program for newly-elected city kenesh deputies is ongoing. One-day training sessions on the Basics of Local Self-Government were conducted by UI for council members in the cities of Uzgen,



Nookat and Karakol. The trainings included such topics as: 1) The Concept of Local Self-Government, 2) LSG's Functions, 3) Functions of City Government and the City Kenesh, 4) the Role of Kenesh Deputies. Participants expressed an interest in these topics which they feel are necessary in their work as deputies. UI will continue training for other cities upon request. In total, 46 deputies participated in the trainings in January.

UI provided legal expertise on a draft resolution of the Bishkek City Kenesh on housing maintenance issues. In early January, Bishkek City Kenesh applied to UI for legal expertise on a draft resolution concerning various issues associated with companies providing maintenance to multi-unit residential buildings. UI's primary recommendation was that the City Kenesh not engage in activities that would negatively impact business development (for example, one of the resolutions was to reconsider permits previously provided by the city to open businesses in former apartments in multi-unit residential buildings). UI also recommended that the resolution remove language requiring owners of multi-unit apartments to have documentation demonstrating their ownership right to common property (UI feels that documentation demonstrating ownership of the unit itself is sufficient). Finally, Urban Institute recommended that language in the resolution calling for an assessment of the physical condition of common property in all multi-unit buildings. This assessment is unnecessary as the common property in all cases is already privately owned.

Association of Cities Institutional Development and Support (Task 3A)

The General Assembly of the Association is scheduled for mid-February 2006. The Agenda will include the annual report on ACKR's activity, adoption a new Charter and reelection of the Board. The draft amendments to the Charter were sent to cities in order to solicit comments and proposals. The organization continues to be bedeviled by differences between the Chairperson and Board and its Executive Directorate.

Regional Housing Associations Institutional Development and Support (Task 3B)

Nash Dom provided assistance to residents of 2 buildings in Bishkek to organize and legally register 2 TSJs (96 units in total). In addition, TSJ facilitators from Nash Dom provided advice and assistance to initiative groups to prepare documents for the registration of 6 additional new TSJs in Bishkek. Three housing associations joined Nash Dom Regional Association in January.

Nash Dom participated in a meeting organized by several OcOOs (former JEKs). On January 21, 6 Bishkek housing management and maintenance companies conducted a meeting to discuss the status of housing maintenance in light of current attempts by Bishkek City Kenesh to cut some of OcOOs' functions.¹ The second topic on the agenda was how to improve relations with customers of housing services. The Head of Nash Dom, Gennady Gorbunov, was invited to speak on the subject. Mr.

¹ During the Soviet era, JEKs were involved in registering residences and providing verification of official residences and the number of family. This practice continues to exist in Kyrgyzstan, although according to Kyrgyz legislation such registration is considered the function of the Ministry of Internal Affairs and local governments. Despite the fact that the JEKs (now OcOOs) have no legal basis for performing this function, they continue to do so using it as a means to enforce payment for other services provided to residents (management and maintenance of common property – which in most cases is performed without a contract). UI has raised this issue several times and has recommended that the Ministry of Internal Affairs and local self-governments determine whether or not they want to allocate this function to another entity, possibly the OcOOs. If they decide they ultimately do want to transfer this function, they should do so through a contract clearly establishing a set payment to the entity allocated the function regardless of any other fees the entity might receive from other sources (for example from unit owners in the case of OcOOs).

Gorbunov mentioned that it was critical for OcOOs to realize that housing legislation has changed and that the housing maintenance market should change accordingly. He emphasized that residents should be the key players in deciding what services need to be performed in their buildings. In addition, Mr. Gorbunov recommended that OcOOs implement new approaches in relations with clients such as those used in other countries like Slovakia. The recommendations focused on two basic principles: (1) promote the formation of any sort of association in buildings (TSJ, cooperatives, etc.) in order to simplify and rationalize negotiation procedures with customers; and (2) promote budgeting and billing for a single building consisting of three components: (a) monthly management fee (fixed amount for each apartment for OcOO to manage common property and maintain office/business), (b) monthly maintenance fee (costs for regular maintenance and small repairs/improvements of the building and attached land parcel to be performed during each month), and (c) repair fees – allocations to the reserve fund for future major repairs to be planned by residents. Mr. Gorbunov also stressed the need for OcOOs to report on performance to housing associations during their annual general meetings something that is also recommended in UI's training on "TSJ as an Educated Consumer."

Jalal-Abad Regional Housing Association organized and conducted a roundtable for TSJs and providers of gas to discuss contractual relationships. The Regional Association had a number of complaints from TSJ leaders regarding penalties imposed by the gas provider for debts. In order to comment on the complaints, the Association requested TSJs to present copies of the contracts between TSJ residents and the gas provider, which they failed to do largely because most of them did not have one. The main reason for the lack of contracts is that there are a lot new residents in TSJs who never had contracts with the provider, nor received copies of contracts from the previous apartment owners. The last time the gas provider concluded contracts was in 2000. As a model for the old contract, the gas provider used a sample approved by the Government in 1997. That model had a special provision stating the right of the provider to fine debtors (0.5% of the amount of debt for each day of non-payment). However, a sample approved by the State Energy Agency in 1999 did not have any provision for fines. Moreover, the contracts executed in 2000 are outdated on other issues as well, especially in terms of price which have drastically increased since 2000. To discuss all these issues, the Jalal-Abad Regional Association organized a meeting for TSJ leaders and gas providers. After a half day discussion, the parties agreed (1) the gas provider would consider cancellation of fines for debts; (2) language would be added to the contract defining the payment deadline; (3) the gas provider would implement updated contracts with residents with the help by TSJ leaders and the Regional Association, and (4) to conduct meetings with residents to explain that payment for services is obligatory and the potential consequences for debts (cut of the service).

UI Bishkek received a request from Kara-Balta City for a meeting on housing issues. In mid-January, the leader of the only TSJ in Kara-Balta called UI and passed on a request from the newly elected mayor, Anatoly Kim, who is a Board member of the TSJ, for a meeting with UI to discuss the needs of the city for technical assistance and capacity building in the housing sector. On January 19, UI and Nash Dom met with Mayor Kim who asked for assistance in TSJ promotion for the city. The meeting with the mayor was followed by a meeting with 10 Heads of House Committees (domkoms), which revealed a lack of legal knowledge and understanding of ownership in multi-unit residential buildings and thus in obligations of residents towards common property, though the meeting demonstrated a substantial interest in TSJs among the participants. UI and the City Administration agreed to conduct a larger information meeting for domkoms on ownership of common property and TSJ issues in early February.



The Academy of Management developed a new large scale training program at the request of the Presidential Administration. The training program targets five key audiences: 1) heads of aiyl-okmotu and cities; 2) aiyl-okmotu and city apparatuses; 3) rayon state administrations; 4) oblast state administrations; and 5) line ministries. Implementation of the program began in January. All heads of aiyl-okmotu and cities (both newly elected and existing) underwent a two-day training on LSG issues. The agenda included such topics as: Legal Basics of Local Self-Government, Financial-Economic Basics of LSG, Municipal Property and Land Management, and Strategic Planning. Approximately 160 LSG heads of Chui and Talas Oblasts were trained in the Bishkek Training Center, 200 heads of Osh, Jalal-Abad and Batken Oblasts underwent training in the Osh Training Center and 150 heads of Issyk-Kul and Naryn Oblasts were trained in Karakol. Representatives of the Presidential Administration, the Prime-Minister's Apparatus and the National Agency of LSG Affairs participated in the training. The program was funded by from the National Budget, UNDP and the Zeidel Foundation. UI was approached for funding, but we respectfully declined.

UI met with the new Rector of the Academy of Management to discuss further possibilities for joint cooperation under the framework of their new large scale training program. During the meeting, UI proposed that heads and apparatus of aiyl-okmotu and cities be separated for training purposes. UI further suggested that we conduct the training for city heads and city apparatus. It was agreed that this proposal would be discussed further by UI and the Academy.

Standby Legal Resources (Task 4)

A total of 6 applications have been received under the Legal Resources Program.

- ❖ Tash-Kumyr requested legal assistance in drafting new charters and service agreements (between the consumer and service provider) legal for their Vodokanal and KKP. This application was turned down due to the upcoming seminar in late February on these issues and UI's intention to provide one-on-one consultations on this subject to interested cities and utilities outside the legal resources program.
- ❖ Kara-Kul requested legal consultation on registering local normative legal acts with the territorial body of the Ministry of Justice. In the past, some of these local normative acts have been rejected, and the City asked for legal consultation on their options on how to proceed. Due to problems with co-financing from the City's side, this application is still under discussion.
- ❖ Kara-Suu requested legal assistance in order to resolve the situation with land under the Kara-Suu market. Currently the Kara-Suu market pays local taxes to a village neighboring the City. The City would like to determine if the land under the market is indeed within the borders of the village or is in fact within City territory. The application was approved by UI and it is expected that the lawyer will complete his task by the beginning of March.
- ❖ There are three applications from Jalal-Abad. All three applications deal with appealing court decisions. UI believes that there is no chance for success on one of the applications and therefore has turned it down. The other two applications also deal with appealing court decisions and will be approved after some slight modifications.

TAJIKISTAN ACTIVITIES/DELIVERABLES

Policy Dialogue and Supporting Policy Change (Task 1)

Comments from the key ministries were incorporated into the PAR strategy. Long after the deadline the key ministries have delivered their comments on the PAR strategy document which also contains the meat of the local government strategy. According to the President's Office, there were no comments made on to the part of the document on local government reform. This means that the direction of local government reform remains the same as recommended by the PWG. The consultation of the document with the key ministries is hopefully the last procedural step before presenting the strategy to the President. During the visit of USAID's mission to Tajikistan, the issue of signing the strategy and the potential date of signing it was again discussed with Mr. Davlatov, Head of the Legal Department of the President's Office. Mr. Davlatov stated that in his opinion the strategy would be signed very soon after receiving the comments from the key ministries. Taking into account the fact of previous statements about the deadline for signing the strategy the final information will be reported by us when it is a fact. Regardless of the situation, the UI Tajikistan National Policy team has started its work on preparation of a seminar on the issues of implementing the local self-government strategy as a part of the Public Administration Reform strategy. The seminar will be held in February and it is designed for Tajik government officials and local government representatives as well as donors acting in the area of local government development. The overall goal of the seminar is to provide Tajik officials with an overview of the options and issues in the reform and decentralization of local governments.



240 People attend Jami District First Public Hearing

Technical Assistance and Training to Cities/Towns (Task 2)



Mahalla Chair asks questions about solid waste cleanup in her neighborhood.

On January 20, 2006 with UI technical assistance Jami District Khukumat conducted a their first ever Public Hearing. The topic was on Improving Solid Waste Management and Selecting a New Landfill Site. About 240 people attended the Hearing. The Chairman of Jami District made an introductory speech on the topic. Jami deputies and khukumat administration, deputies of local Majlis, financial department staff, representatives of Jamoats, tax inspection, healthcare, education, jamoat leaders, entrepreneurs, and citizens participated in the Public Hearing and added their comments.

Saadullo Beknazarov, Jami District Chairman informed participants about

the work completed by local government on district center-Kuibyshev town improvement and cleaning, potable water supply and activities related to improving solid waste management. Special focus was made on the citizens' role and involvement in managerial work of local governments, work experience gained by local khukumat staff and Jami town citizens while implementing with UI a joint project "Improving Solid Waste Management, Construction and Maintenance of Public Toilets in Jami District".

Jamoat leaders, communal and housing services enterprise staff, representatives of state establishments, business structures and citizens who spoke at the public hearing noted positive changes in the communal services sector. They recounted their participation, and underlined unsolved problems. Many issues were raised related to potable water supply, particularly rehabilitation and repairs of water wells, pumps and pipelines. Local khukumat also offered public hearing participants the opportunity to discuss and select a new solid waste landfill site. Out of two proposed variants, district residents chose the site recommended by local experts and UI consultants. The Public Hearing proved to be a useful instrument for the local government to communicate with citizens. It also provided citizens with an opportunity to be a part of city and district decision making. Mr. Beknazarov, District Chairman thanked all residents for their participation in implementation of the project "Improving Solid Waste Management, Construction and Maintenance of Public Toilets in Jami District", and recognized the most active project implementers. He also rewarded UI Tajikistan with a letter of appreciation. Right after the public hearing an immediate issue of the local newspaper was entirely devoted to the Public Hearing held in Jami District.



Jami District Chairman answers questions

Support for Financial Plans Based on Actual Costs. Forms to record data from collection routes for solid waste removal were developed for the communal service enterprises of Kurgan-Tube, Yavan, Kolkhozabad, Jami. The UI consultant worked with the communal services teams in the field to train them to accurately account for their work, down time and work activities. The work is part of the overall goal of identifying the real cost of solid waste collection using the actual equipment and processes that are now in place –as opposed to the Soviet norms which do not adequately account for the current problems of collection and disposal. Training was conducted with targeted communal service enterprises on how to fill in recording forms. At the end of the two week recording cycle, the data was compiled and presented to the working group for information. During January, the enterprises are continue to use the new forms and will forward the completed ones to Urban Institute for analysis.



Improved Financial Planning to Build on Prior Work in Basic Budgeting, Costing and Fee Setting. Training for trainers was conducted on a multiyear financial forecasting program where UI trainers were taught how to apply the program to make budget forecasts. Following the training, the trainers worked with the targeted project cities to collect financial data and worked with the cities to develop five-year budget forecasts for the seven targeted cities. Currently the received forecasts are being assessed. The financial historical data was obtained from Khujand, Dangara, Kholkhobod, Kurgantube, Jami, Yavan, and Vahdat cities.

First Training on Low Technology Solid Waste Management was conducted in Kanibadam and Istaravshan Cities. A total of 57 people participated, including city deputy chairmen, local council



The first trainings in Kanibadam and Istaravshan cities

members, directors and chief engineers of communal services enterprises, nature protection committees and sanitary epidemiological stations specialists. The workshop allowed participants to analyze the work of enterprises

responsible for the garbage collection and carrying, identify weak points and familiarize with new low technology and cost-effective ways of solid waste management. The trainees believe that this and further UI trainings will prepare them for implementation of WB funded Social Infrastructure Development Project in Tajikistan and organization of future effective management at housing and communal services enterprises.

Full Cost Accounting for Services and Fee Setting Workshop was conducted in Vahdat City. Local khukumat administration staff, Council members, Communal Service Enterprise employees, financial specialists and Vodokanal enterprise staff were introduced to the need of using up-to-date techniques of full cost accounting, allocation of costs among the services, new service fee billing and collection systems. Capital investment planning techniques presented and discussed with the participants of the workshop. A total of 23 people participated.

Develop a Billing and Collection System. An assessment of the current billing and collection systems is being conducted in Yavan, Kolkhozobod, Jami and Kurgantube cities. Dangara and Khujand cities will also be involved in the current assessment process.

Complete the Management Demonstration Programs on Improving Waste Management Methods

Khujand Composting Project

The work at the Khojend compost site is in the process. A trip to Khujand is scheduled for February to monitor compost screening process. Discussions are on-going about the use of the compost material and potential for future composting by the communal service agency.

Kolkhozabad Composting Project



The first turning of the compost at the Kholkhozabad Communal Services Enterprise was scheduled for January, but because of bad weather conditions it was postponed till mid February.

Jami new landfill project

The local khukumat allocated 4,5 hectares for construction of a new solid waste landfill site. Participants of the Public Hearing held in Jami supported the proposed site. For effective organization of the work on landfill construction a Working Group was created. WG meetings will be held at Jami District Khukumat on biweekly or weekly basis. The first Working Group meeting was held at the end of January to discuss the scope of work and expected costs for the new landfill project and the agreement between district Hukumat of Jami and Urban Institute for the Jami landfill project. The construction work will mainly include repair of the access road for the new landfill and development and of an operations plan. The Working Group includes Rajabov, deputy chairman of the district, Qodirov M, district architect, Khairullaev V., head of Communal Services Enterprise, Vodhidov E., Chief Engineer of CSE, and Eraj Akrami, UI. The working group will meet each week to discuss the preparation works and the progress of project's implementation when started.

Technical Assistance to Kulyab to Accept Transfer of Communal Services Management and Assets. The Country Director of the Urban Institute Tajikistan met with the Mayor of Kulyab and discussed the problem of coordinating the World Bank's (WB) infrastructure project and the transfer of the communal enterprises under the City of Kulyab control. The City of Kulyab has been directed and authorized by the President to have the communal services assets and services transferred from the Central Gov owned SUE to the local Kulyab government. This is consistent with the project goals of creating the capacity to manage these services at the local level and to encourage the environment of acceptance for local control at the Central government level. This is something that the LGI II has worked very hard to achieve.

In January the WB signed the agreement on the infrastructure project with the SUE and the Tajik Government. In accordance with that agreement the funds will go only to SUE subsidiary enterprises. According to information from the WB, if Kulyab takes over the communal enterprises from the SUE, Kulyab will be excluded from the WB project and lose the investments. This would be true for all 8 of the cities included in the WB project. This decision by the WB effectively prevents any decentralization of the communal services for at least the 5 years life of the WB project.

In discussing this with the Mayor of Kulyab, he understands the dilemma and said that Kulyab cannot afford to give up the investment from the WB. However, he asked for a copy of the agreement between the WB, the government and the SUE and any other documents that might be available to him. He must discuss this with the President in order to delay or prevent the transfer of assets and services to Kulyab. His concern is that the President has directed Kulyab to proceed with this transfer of assets, but the Mayor rightfully is concerned about how to explain to the President why they cannot go forward with the transfer. Regardless of the situation the Urban Institute Tajikistan finished its report on the legal aspects of such a transfer. The report includes a draft of necessary resolutions of the Tajik government to implement the transfer.

Technical Assistance and Training to Jamoats (Task 3)

No activities in January.

City Computer Resource Centers and Training Facilities (Task 4)

Ongoing support for the maintenance and operation of the centers is provided.
Study on Civil Registry Information (Task 5)

The task is completed.



Deputy of MN explaining current situation with buildings' nearby territories

Expanded Training for Locally Elected and Appointed Officials (Task 6)

A manual and training program on roles and responsibilities of locally elected and appointed officials is in the development process.

Assessment of Options to Link Potable Water User Operations to

Local Government (Task 7)

No activities in January.

Technical Assistance to Review the Opportunities for Housing Maintenance Associations (Task 8)

A Study Tour was completed on Housing Associations to Uzbekistan. During the reporting period active a Study Tour was held to Uzbekistan to learn about the LGI II Uzbekistan work in developing housing associations and housing legislation. The study tour combined a review of the lessons learned and an opportunity to work with the LGI II Uzbekistan Country Director to develop draft law on Homeowners Association (HA). In 2005, a committee of Majlisi Namoyandagon Majlisi Oli of RT developed a draft law "On Homeowners Associations" based on an earlier version developed in 2003. The draft law was proposed for discussion. However, the legal department of Majlisi Namoyandagon returned the draft law to the Majlisi Namoyandagon committee –with the comment that the draft law 'does not correspond with current legislation'.

At this stage, Urban Institute Tajikistan offered technical assistance to the stakeholders in preparation of the law. Under this technical assistance, a trip was arranged to Tashkent from January 18 to 23 for Tajik specialists and deputies to study the experience of countries with transition economies on creation and regulating Homeowners Associations and also to prepare a new draft law. The group of specialists from Tajikistan explored presented materials in detail, visited the sites and were familiarized with the activity of Homeowners Association in Tashkent. The group then started writing the text for the new draft law. During this work the government employees had questions that they had never thought about.

For instance, Ms. Nodirova S., the deputy chairman of the state Committee on State Property Management noted that in order to resolve management and maintenance issue of multi-apartment houses we need to prepare not only new draft law but the whole package of documents, including the draft changes and additions to the current Civil Code and Housing Code, and also make changes into normative



Study tour participants talking to the residents of one building HA in Tashkent



Developers of the law on HA in the meeting with participants of legislation process on HA in Uz



Developers of the law on HA discussing major principles of multi-apartment management in Tashkent

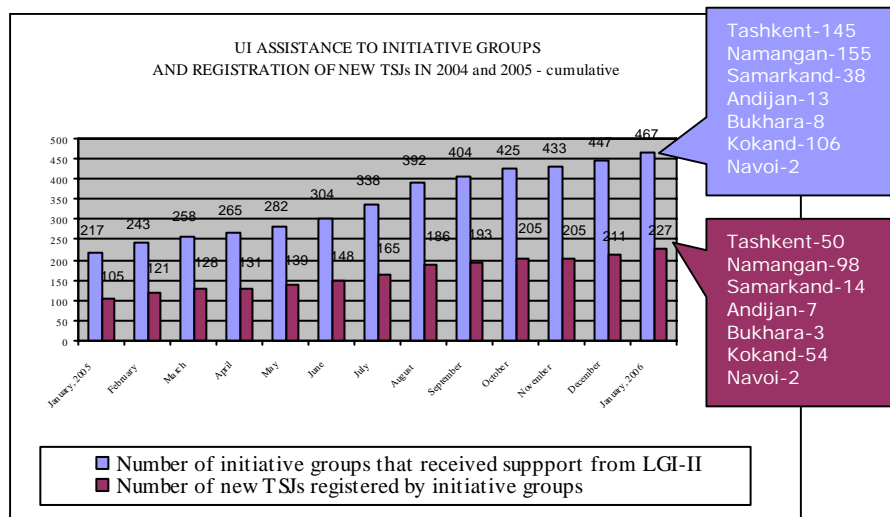


and legal documents that are currently being developed. Particularly, it is necessary to reflect those principles laid out in the new draft law in the currently developed provision on the record-keeping of transaction in the Republic of Tajikistan, and also to include information on the state involvement in multi-apartment houses maintenance, if the state has its property in those houses, etc.

Based on the trip results the specialists appreciated high level and importance of consultations provided by UI Uzbekistan and particularly Country Director Irina Gentsler and the demonstration of HA's activity in practice and expressed their intention to continue the work on the draft law involving a larger circle of specialists and public, and also asked UI to continue provision of technical assistance with intensive involvement of Irina and other consultants of UI in the process.

UZBEKISTAN ACTIVITIES/DELIVERABLES

The Legislative Chamber and the Senate of Oliy Majlis (Parliament) established a coordinating committee for discussion of discords on the Law on TSJs. UI partners – Tashkent, Samarkand,



Namangan and Kokand associations of TSJs – used UI responses to the Senate comments during their discussion of disputable issues on the new law with members of the Senate and the Legislative Chamber who representing their cities.

Formation of Resident-Controlled Housing Partnerships (Task 2)

In January, LGI-II provided direct assistance to 20 new initiative groups, of which 16 groups officially registered their TSJs (*see chart*).

UI developed methodological recommendations for TSJ leaders on “How to Prepare and Hold Annual General Meetings with TSJ Members” and achieved an agreement with local government officials and Associations of TSJs in pilot sites to hold a series of mini-trainings for TSJ leaders on this topic. Recommendations include sample forms of report documents, plans, scripts and minutes of the meeting.

Two and a half day seminar “TSJs: The Bases of Management” for leaders of new single-building and small TSJs was delivered in Namangan on January 23-25, 2006.

UI jointly with the Republican Foundation “Mahalla” conducted a one-day seminar “TSJs and Mahalla Committees: Legal Framework for Activities and Opportunities for Collaboration” in Bukhara on January 14, 2006. It was attended by 30 Mahalla committee leaders. Bukhara City Council of Mahalla

Committees received informational and methodological materials on TSJ activities for use in an awareness campaign for residents (*see pictures below*).



Nigmatilla Abdullayev, Deputy Chairman of the Republican Foundation "Mahalla" explains principles of interrelations of Mahalla committees and TSJs during the training delivered in Bukhara City

UI revised guidelines of the competition "The Best TSJ Experiences 2006" in order to take into account the experience of 2005 and the difficulties in transferring payments to contractors through UI subcontracts. In 2006 winning TSJs will receive prizes through grants and not subcontracts. The announcement of the new competition will be published in major republican newspapers in early February.

UI will announce the competition during a series of presentations on the best TSJ practices, winners of the competition of the previous year, and the results of repair works implemented in 2005 by TSJs under UI/USAID funding.

The presentation will be held in all pilot sites with the support of Hokimiyats and Associations of TSJs of corresponding provinces, cities and districts.

Formation and Support of Regional TSJ Associations (Task 3)

All Associations of TSJs from pilot sites received recommendations for TSJ leaders on holding annual general meetings. UI will provide assistance in delivering mini-trainings for their members.

An initiative group on establishment of an Association of TSJs in Ahangaran City (Tashkent Province) has received assistance and informational and methodological materials from UI. By the request of city Hokimiyat and future association of TSJs UI will deliver a training for TSJ leaders in Ahangaran City.

UI sent information on the program of small grants from the World Bank in Uzbekistan to the Associations of TSJs in the pilot sites.

Public Awareness Campaign (Task 4)

On 31 January, UI held the fourth in a series of regular meetings with journalists from pilot sites and other locations. The meeting participants discussed recommendations on holding annual general meetings in TSJs and how to cover them in mass media. Four TSJ leaders from Tashkent City, who have succeeded in establishing good relations between TSJs and unit-owners, attended the meeting in order to share their experiences with journalists.

Radio Station "Grand" has successfully finished its project and provided a final report to UI. The "Pravda Vostoka" newspaper is continuing to cover TSJ activity issues in its special section.

Press releases and success stories were prepared for the plaque hanging ceremonies in TSJs, which will be held in early February. A presentation on the results of TSJ repair works was prepared for meetings with TSJ leaders.

Survey on Status of TSJ Reforms (Task 5)



No activities.

Promotion of a Market for Housing Services (Task 6)

UI provided consultations to nascent management companies in Tashkent and Samarkand cities. The main questions asked at the consultations were about the content of bylaws of the companies and agreements on provision of services to TSJs.

The activities of the management company "Shuhrat Hamkor Servis" (Namangan City) in managing ten buildings were examined and the acquired materials will be used in recommendations on establishing of management companies.

UI's latest Russian- and Uzbek-language bulletin, devoted to the experience of TSJs on selecting contractors by tender, is being widely disseminated during seminars and meetings.

Work is continuing on the brochure "TSJ – an educated customer."

Legal Support for Housing Partnerships (Task 7)

No activities.

COUNTRY STAFF TRAVEL CHARTS

Kyrgyzstan

Employee	Travel in Past Month	Expected Upcoming Travel
Undeland (CoP/Country Director)	On leave 12/16-1/8, Dushanbe 1/15-22, Almaty 1/22-23	Baku 2/25-3/11
McLellan (Resident Advisor)	Tokmok 1/11, Osh/Uzgen 1/12-13	Kant
Abdykalykov (Municipal Finance)		Tokmok, Osh
Akmatov (Land Specialist)	Osh 12/24-1/8, Balykchy 1/13, Osh 1/16-29	Osh
Asibaliyev (Strategic Planning and Municipal Finance)		Osh
Bektenova (Executive Officer)		Osh
Gradwal (Housing/Utilities)	Kara-Balta 1/19	Kara-Balta, Osh
Mambetova (Legal Specialist)		Kant, Kyzyl-Kia
Narusbaeva (Municipal Prop)	Kara-Balta 1/5, 1/16, 1/20, 1/27	Kara-Balta, Jalal-Abad
Roman (IT Specialist)	Balykchy 1/13	Balykchy

Tajikistan

Employee	Travel in Past Month	Expected Upcoming Travel
Davis (Country Director)	Kulyab, Kurgan-Tupe, Jami, Kulyab	Kulyab, Kohlkozobod, Vahdat
Szymanowicz (Resident National Policy)	Kulyab, Jami, Kulyab	Kulyab
Babaeva (Decentralization)	Kulyab	Kulyab
Ahmad (billing, housing)	Tashkent, KurganTube	Khujand, Jami, Kolkhozobod, KurganTube, Yavan
Shomakhmadova (Citizens Involvement & Grants)	Tashkent	Yavan, Jami
Akrami (Assistant Citizen)	Jami, Kolkhozabad, Dangara	Jami, Kolkhozabad, Dangara,

Involvement & Grants)		Khujand
Inamov (Senior Manager)	KurganTube, Dangara, Jami	Istaravshan, Kanibadam, Kurgan-Tube, Dangara, Vose Yavan
Shuhrat (Training Specialist)	Jami, Istaravshan, Kanibadam	Vahdat, Istaravshan, Kanibadam , Yavan, Kurgantube, Kholkhobod, Jami
Gulru (Training Specialist)	Vahdat, Vose, Kurgantube	Vahdat, Vose, KurganTube

Uzbekistan

Employee	Travel in Past Month	Expected Upcoming Travel
Irina Gentsler (Country Director)	Samarkand 1/11-12, Almaty 1/22-24	TBD
Gavhar Alieva (Housing)	Samarkand 1/11-12	Kokand, Namangan, Andijan 2/6-9
Rahima Ortikova (Grants)	On leave 1/1-9	Kokand, Namangan, Andijan 2/6-9, Samarkand, Navoi, Bukhara, 2/13-17
Elena Pashkova (Translator/Trainings)	Bukhara 1/13-15, Namangan 1/22-25, Andijan 1/25-30	Kokand 2/10-12
Stella Solovei (TSJ Associations)	Bukhara 1/13-15, Namangan 1/22-25, Andijan 1/25-30	TBD
Norbek Pardaev (Communal and Housing Services Specialist)	Samarkand 1/11-12, Bukhara 1/13-14, Namangan 1/22-25, Andijan 1/25-30	TBD
Faruk Turaev (Publications and Media Coordinator)	Samarkand 1/11-12	TBD

NOTE: TRAVEL INCLUDED IN THE TABLE MAY INCLUDE TRAVEL FUNDED THROUGH A DIFFERENT CONTRACT (E.G. ARIS OR CONFLICT MITIGATION IN KYRGYZSTAN OR CONFLICT MITIGATION IN TAJIKISTAN), HOWEVER, IT REFLECTS A UI/LGI II PROJECT PRESENCE AND IN MOST CASES LGI II PROJECT ISSUES ARE DISCUSSED WITH COUNTERPARTS IN THE FIELD.

PROGRAMMATIC AND OPERATIONAL ISSUES

Regional

Ted Priftis and Ivan Apanasevich were in Kyrgyzstan (January 8 to 14) and Dushanbe (January 15 to 22) assessing the project. In addition, COP Charles Undeland and Irina Gentsler met with Ted and Ivan in Almaty on January 23 in order to review the activities in Uzbekistan. The assessment and review of the three country activities will form the basis of the Scope of Work for a potential follow-on project.

Kyrgyzstan

Bishkek City Administration Delaying work on municipal vacant land. The City Administration has not yet developed an action plan or signed the Statement of Cooperation between it and UI. UI believes the delay is the result of a power struggle between the City Administration and the City Kenesh. The City Kenesh is eager to develop a land strategy and to introduce some transparency into this sector. The City Administration would rather keep land management as a closed door process, as it obviously has a lot to lose if the process becomes more transparent. UI is working with the Chairwoman of the City Kenesh, Mrs. Baibolova in an effort to get the process started. However, without the buy-in from the City Administration, the initiative cannot move forward. At present this does not pose a serious



problem, since UI is engrossed in the work in Osh. However, if problems continue into February, the project may have to reconsider how to approach this work. A February 21 kenesh session is likely to review the issue.

There has been no progress in registering the Jalal-Abad land parcels with GosRegister. After the territorial body of GosRegister refused to register these parcels, the issue was addressed with GosRegister headquarters in Bishkek in December. However, because of the many holidays in January, no decision has been taken. UI expects a decision in February.

Political season in Kyrgyzstan heats up. There is widespread anxiousness about the national political situation in the country. The Parliament has been slow to pass the national budget. Differences between the Parliament and Prime Minister and the President are coming to a head. The high level political struggle is drawing away the attention of all national officials. There is a widespread apprehension in advance of the anniversary of the March revolution.

Government approach to helping local self-governments is active, but ineffective. The project has been drawn into several coordination meetings by the Local Self Government Agency, the Presidential Administration's Office, the Prime Minister's Office and the Academy of Management on capacity building for local self-government. However, these entities appear to be competing among themselves. Moreover, they have held or plan to hold 'training' for local officials that would appear to be ineffective. For instance, newly elected LSG heads attended meetings of 200 persons, where they were lectured on 10 topics over the course of 1 day. UI questions the choice of lecturers for the topics: e.g., local finance by regional tax inspectorate officials, municipal property management by regional Gosregister officers. There was little to no preparation of materials.

Tajikistan

Work was complicated by difficult weather conditions and constant power cuts. It was also difficult to work within the offices because frequent power outages limited heat supplies. A wire burned through in the walls of the building and shut the power off for 48 hours –during which time the generators could not be used.

Uzbekistan

On January 12, USAID CAR Mission Director, Chris Crowley, and USAID Country Director for Uzbekistan, James Bonner, visited Samarkand City to see the results of LGI-II project activities. The delegation visited TSJs "Koinot Marvarid" and "Hilol Ishonch," both of which implemented repair works under UI/USAID funding, and got acquainted with the repair works implemented in these TSJs (*see pictures below*).



Members of TSJ "Koinot Marvarid" showed how their building changed to a better to USAID delegation



The Ministry of Justice provided an official response regarding the monitoring conducted on December 12, 2005. The official response listed violations in the activities of UI in Uzbekistan while implementing project activities and requested to eliminate them within one month. Now, UI/Tashkent is in the process of coordinating comments with the Ministry of Justice. UI believes that it can respond to all of the imputed violations (many of which are not accurate) with little difficulty.

UI faced difficulties, due to the bad weather conditions (heavy snowfall), in organizing meetings and seminars in Fergana Valley in January. All TSJ representatives were mobilized to clean snow from the roofs and the lands adjacent to buildings. The Andijan City Hokimiyat asked UI to stop the training "TSJs: The Bases of Management." This seminar in Andijan has been postponed.

UI legal specialist Nigora Shayusupova resigned from her position due to fears that she will be prosecuted by the attorney's office because of her work in ICNL and thus could harm LGI-II project activities. UI has announced an opening for this position and will hire a new person in the near future. This has set back beginning work on the standby legal support program.

COUNTRY TASK CHARTS AND GENDER REPORTING

Kyrgyzstan

ACTIVITY	RESULTS IN JANUARY 2006	UPCOMING ACTIVITIES (next 2 months)
<i>Supporting Policy Change at the National Level (Task 1)</i>	<ul style="list-style-type: none"> Meeting with new Director of National Agency on LSG Affairs to discuss training, LSA/LSG amendments, and intergovernmental finance Government Decree on approving the structure of the National Agency on LSG Affairs approved 	<ul style="list-style-type: none"> Amendments to the LSA/LSG revised and submitted again to the Government Work on implementation of the fiscal decentralization reforms
<i>Asset Management (Task 2A)</i>	<ul style="list-style-type: none"> Training for the Kara-Balta Evaluation Committee Concession pre-competition meeting in Kara-Balta Winner selected in the Kara-Balta Park concession Inventory of municipal land begins in Osh and Karakol 	<ul style="list-style-type: none"> Kara-Balta park concession completed Land strategy in Jalal-Abad, Karakol, and Osh Asset Management trainings for city councils
<i>Municipal Utility Enterprises (Task 2B)</i>	<ul style="list-style-type: none"> Materials for the seminar on Legal Relationship Between Local-Self Government and Utilities were prepared Competitive procurement for the Customer Satisfaction Survey was conducted Implementation of the billing and collection software is on-going in Tokmok 	<ul style="list-style-type: none"> Seminar on charter, use procedures, contracts with ARIS Implementation of the billing software in Ecolog and Tokmok Vodokanal completed Customer satisfaction survey conducted
<i>Financial Management (Task 2C)</i>	<ul style="list-style-type: none"> LSG budget data requests for 2005 for each individual oblast and instructions on data request developed Cooperation Agreement between UI and MoF developed Sulukta, Shopokov, Uzgen and Jalal-Abad confirm their intention to conduct monitoring of the city strategies Balykchy City Administration submits city strategy monitoring results to the Kenesh 	<ul style="list-style-type: none"> Strategy implementation monitoring in Karakol Further work on the LSG database Dissemination of the local budget data information request Statement of cooperation with Ministry of Economy and Finance signed
<i>Empowering Locally Elected Councils (Task 2D)</i>	<ul style="list-style-type: none"> Training on Basics of LSG for Kenesh deputies of Uzgen, Nookat and Karakol 	<ul style="list-style-type: none"> Training for councils (Feb-March)
<i>Association of Cities Institutional Development and Support (Task 3A)</i>	<ul style="list-style-type: none"> Preparation for General Assembly on February 10 	<ul style="list-style-type: none"> ACKR's General Assembly (Feb. 17?)
<i>Regional Housing Associations Institutional Development and Support (Task 3B)</i>	<ul style="list-style-type: none"> 2 new TSJs registered in Bishkek UI comments on draft resolution of Bishkek City Kenesh regarding housing TSJ promotion in Kara-Balta starts Jalal-Abad Regional Association holds a roundtable with the gas 	<ul style="list-style-type: none"> Identification of land boundaries Production of a reference book of materials to help TSJs to be educated consumers of services Launch of regular seminars for journalists on project issues; first topic will be appurtenant land parcels

	provider	
<i>Academy of Management Institutional Development and Support (Task 3C)</i>	<ul style="list-style-type: none"> Renewal of cooperation agreements with the new Rector 	<ul style="list-style-type: none"> Involvement of Academy persons in LGI II training Joint training in cities for city staff persons
<i>Standby Legal Resources (Task 4)</i>	<ul style="list-style-type: none"> Kara-Suu application successfully approved Tash-Kumyr application declined Two applications from Jalal-Abad (a third application was declined) and one from Kara-Kul are pending 	<ul style="list-style-type: none"> Continued approval of small consulting contracts Review of the program and determination of any necessary changes (March)

Tajikistan

TASK	RESULTS IN REPORTED MONTH	UPCOMING ACTIVITIES (next 2 months)
<i>Policy Dialogue and Supporting Policy Change (Task 1)</i>	<ul style="list-style-type: none"> Comments on the PAR strategy from the key ministries was incorporated into the final strategy document. The Local Government portion was untouched. 	<ul style="list-style-type: none"> Seminar on implementation of LSG reform Work Plan for drafting a necessary package of legislation for LSG reform
<i>Technical Assistance and Training to Cities/Towns (Task 2)</i>	<ul style="list-style-type: none"> Public Hearing on Improving Solid Waste Management and Selecting a New Landfill Site held in Jami District Low Cost Technology for Solid Waste Management Workshops held in Kanibadam and Istaravshan Cities. Full Cost Accounting for Services and Setting Fees Workshop conducted in Vahdat City Multiyear budget forecasts processed for 6 cities. Data collection forms developed for solid waste removal for the communal service enterprises of Kurgan-Tube, Yavan, Kolkhozabad, Jami. Explanatory work completed with target communal service enterprises on how to collecting management data for solid waste cost accounting. Forms and questionnaire developed for financial assessment for Khujand Truck Fleet Enterprise Report on legal aspects of transfer of communal enterprises under a city control was elaborated 	<ul style="list-style-type: none"> Low Cost Techno for Solid Waste Management Workshop in Vose TOT on Full Cost Accounting for Services and Setting Fees Full Cost Accounting for Services and Setting Fees Workshop to be held in Kanibadam, Istaravshan and Vose District. TOT on Modern Budget Processes for new UI trainers in Dushanbe. Public Hearing Workshop to be conducted in Vahdat City. Technical Assistance on Full Cost Accounting of Services and Fee Setting for Communal and Housing Services Enterprise of Vahdat "Clean City" lessons to be organized and conducted in Yavan and Jami secondary schools Financial assessment for Khujand Truck Fleet Enterprise; Technical Assistance to Kolkhozabad Communal Services Enterprise under Leaf Composting Project to be provided Technical Assistance to Jami District for New Landfill Project Complete recording routs for solid waste removal to be



		<ul style="list-style-type: none"> analyzed for Kurgan-Tube, Yavan, Kolkhozabad, Jami. Citizens Involvement on Solid Waste Management in Dangara program Multiyear budget forecasting assistance to Jami Study Tour on Financial Plans and Billing & Collection Systems
<i>Technical Assistance and Training to Jamoats (Task 3)</i>	<ul style="list-style-type: none"> na 	<ul style="list-style-type: none"> na
<i>City Computer Resource Centers and Training Facilities (Task 4)</i>	<ul style="list-style-type: none"> na 	<ul style="list-style-type: none"> Khatlon Oblast Training Center facilities to be used for Modern Budget Processes Workshop
<i>Study on Civil Registry Information (Task 5)</i>	<ul style="list-style-type: none"> na 	<ul style="list-style-type: none"> na
<i>Expanded Training for Locally Elected and Appointed Officials (Task 6)</i>		<ul style="list-style-type: none"> Modern Budget Processes and Citizen Involvement Workshops for new locally elected officials and council members of Khatlon Oblast.
<i>Assessment of Options to Link Potable Water User Operations to Local Government (Task 7)</i>	<ul style="list-style-type: none"> An overview of the status of existing water system was conducted 	
<i>Technical Assistance to Review the Opportunities for Housing Maintenance Associations (Task 8)</i>	<ul style="list-style-type: none"> Arranged Study tour to Uzbekistan for UI staff, members of the Parliament Committee on Housing and staff of Housing and Communal Services of the SUE. Draft law on HA developed and the Working Group created for further development and lobbying of the law on HA 	<ul style="list-style-type: none"> Further develop the draft law and organize round table to discuss the draft law on HA A Study Tour on Housing Associations to Kyrgyzstan to be arranged

Uzbekistan

TASK	RESULTS IN JANUARY 2006	UPCOMING ACTIVITIES (next 2 months)
<i>National Policy Development (Task 1)</i>	<ul style="list-style-type: none"> Tajik study tour Provided responses to the comments of the Senate to partners for further lobbying through their corresponding senators 	<ul style="list-style-type: none"> Provide expertise to non-governmental partners
<i>Formation of Resident-Controlled Housing Partnerships (Task 2)</i>	<ul style="list-style-type: none"> Provided assistance to 20 new initiative groups, of which 16 groups officially registered their TSJs Developed recommendations for annual general meetings Delivered seminar on management for new single-building 	<ul style="list-style-type: none"> Provide consultations for residents and TSJ leaders (ongoing) Training for Andijan and Samarkand TSJ chairpersons on the bases of professional management Training on TSJs and Mahallas in Kokand (Feb. 11)

	<ul style="list-style-type: none"> and small TSJs in Namangan Delivered seminar on TSJs and Mahalla Committees in Bukhara 	<ul style="list-style-type: none"> Plaque hanging ceremonies Announce "The Best TSJ Practices" competition Advice on holding general meetings for TSJs Conduct trainings for TSJ leaders in Angren and Ahangaran cities
<i>Formation and Support of Regional TSJ Associations (Task 3)</i>	<ul style="list-style-type: none"> Assisted the initiative group on establishment of an Association of TSJs in Ahangaran City Disseminated among Associations of TSJs information on the program of small grants by the World Bank 	<ul style="list-style-type: none"> Work with Namangan, Samarkand Kokand TSJ associations in seminars on "How to Conduct Annual General Meetings in TSJs" Prepare and print bulletin on the experiences of TSJ associations Prepare draft guidelines of the grant/subcontract program for Regional Associations of TSJs on assistance to their member TSJs
<i>Public Awareness Campaign (Task 4)</i>	<ul style="list-style-type: none"> Held the fourth of a series of meetings with journalists Radio Station "Grand" has successfully finished its project. The "Pravda Vostoka" newspaper is continuing to cover TSJ activity issues in its special section Press releases and success stories were prepared for the plaque hanging ceremonies in TSJs Presentation on the results of repair works by TSJs was prepared for showing during meetings with TSJ leaders 	<ul style="list-style-type: none"> Hold a meeting of journalists (February 28) Present the best experiences of TSJs in implementation of repair works Announce media contest (early February) Publish brochure with recommendations on how to prepare and hold member general meetings in TSJs
<i>Survey on Status of TSJ Reforms (Task 5)</i>	<ul style="list-style-type: none"> Survey completed 	<ul style="list-style-type: none"> Prepare and print the booklet on the results of the survey
<i>Promotion of a Market for Housing Services (Task 6)</i>	<ul style="list-style-type: none"> Provided consultations to nascent management companies in Tashkent and Samarkand cities Analyzed activities of the management company "Shuhrat Hamkor Servis" for use in recommendations on establishing management companies Disseminated latest bulletin, devoted to the experience of TSJs on selecting contractors through bidding process, during seminars and meetings. Work is continuing on the brochure "TSJ – an educated customer" 	<ul style="list-style-type: none"> Presentation of recommendations on establishing private housing management companies including their draft bylaws Orientation seminar for the founders of management companies (March)
<i>Legal Support to Housing Partnerships (Task 7)</i>	<ul style="list-style-type: none"> No activities. 	<ul style="list-style-type: none"> Select attorneys jointly with TSJ associations for training activities



GENDER REPORTING

Kyrgyzstan

GENDER REPORTING		
Events	Number of participants	Number of females
LSG training for Kenesh deputies of Uzgen, Nookat and Karakol	46	7
Training for Kara-Balta Evaluation Committee	8	4
Total	54	11

Tajikistan

GENDER REPORTING		
Events	Number of participants	Number of females
Trainings/study tour	85	18
Public Hearing	238	82
Other	14	3
Total	337	103

Uzbekistan

GENDER REPORTING		
Events	Number of participants	Number of females
TSJ and Mahalla relations seminar	30	11
Training for TSJ leaders	39	18
Meeting of Journalists	20	5
Total	89	34

MONTHLY TASK ORDER PROGRESS AND COST REPORT FOR FEBRUARY 2006

CENTRAL ASIAN REPUBLICS LOCAL GOVERNMENT INITIATIVE PHASE II

HIGHLIGHTS

Kyrgyzstan

- Contract signed between Kara-Balta City Administration and JSC KKP for management of the City Park after competition
- Training on Oversight and Legal Relationship Between Utilities and Local Governments for 12 Northern Cities
- Launch of monthly regional media background sessions; first on land around multi-unit buildings

Tajikistan

- Seminar on Local Government Legal and Policy framework
- Compost Products of Khujand Demonstration Project sold at a Fair of Young Plants
- Modern Budgeting Process Workshop for Newly Elected Local Council members held in Khatlon Oblast Training Center

Uzbekistan

- New Law on TSJs approved by the Senate of Oliy Majlis (Parliament)
- Announcement of the new competition "The Best TSJ Practices 2006", media contest and a series of presentations of the best TSJ practices in 2005 in pilot sites
- Recommendations for TSJ leaders on holding general meetings disseminated in all pilot sites

SUCCESS STORY

TSJs Get New Law in Uzbekistan

On February 24, the Senate of *Oliy Majlis* (Parliament) approved new Law on Housing Associations (known as TSJs). This event was preceded by the hard work of many people starting from parliament delegates, experts of the government, different ministries and the State Agency "*Uzkommunhizmat*", representatives of the first regional associations of TSJs and other nongovernmental organizations, as well as TSJs themselves.

Most of these people were united by the USAID-funded Project "Central Asian Republics Local Government Initiative", implemented by the Urban Institute. The new articles of the law came forward after analysis of TSJ problems, roundtable discussions, learning of legislation and experience of other countries, as well as the work of informal working group established by the Urban Institute. After restrictions on

The Legislative Chamber and the senate have common goal – the public has to get an improved law, which will ideally conform to the existing civil law and will promote development of TSJs and market of housing services in the republic.

From the interview of Izidor Kochmarik, chairman of the committee on the issues of industry, construction, transportation, communication and housing and communal economics of the Legislative Chamber of

Oliy Majlis, Newspaper 'Nalogovye i Tamozhennyye Vesti'

January 31, 2006



working with the Central Government became effective, UI worked through independent regional associations.

The Law on TSJs directly impacts interests of 6,4 million people living and owning apartments in multiunit buildings (25 percent of the total population of Uzbekistan). The people who worked on the new law and promoted it also live in multiunit buildings. Consequently, many opinions, arguments, suggestions and discussions arose on how TSJs should operate and how to change the law in order to improve the existing situation surrounding them. That's why the process of consideration and approval of the law was so difficult and has taken much time.

The first Law on TSJs was accepted on April 15, 1999, and at the end of 2002 more than 1,400 TSJs were established in Uzbekistan. However, the majority of these TSJs were established by force from above and not by the initiative of residents. Local governments considered them as the new form of housing and communal organizations with just a change of name from Soviet time Zheks to TSJs. That's why typical TSJs until now included 10 to 40 buildings and even more than that, in which apartment owners practically did not have a voice. Seven years has passed by since acceptance of the first law that has revealed many problems such as a lack of control by apartment owners of TSJ activities. The task of the new law is to resolve these problems at the legislative level.

For the last three years thanks to LGI-II efforts the number of single-building and democratically governed TSJs has considerably increased, whose successful experiences and advantages comparing to large TSJs became known to a wide circle of people. Gradually, this circle of people who accepted the idea of single-building TSJs at all levels increased and they supported the promotion of the new law.

The law was approved by the recently formed two-chamber Parliament and this also created difficulties because the Senate did not agree with all articles with the Legislative chamber and turned it down in August of 2005.

The coordinating commission consisting of representatives of the government and both chambers of the Parliament was established to resolve the arisen disputes. The new law is the result of the compromise that both chambers made.

The Senate insisted that owners of nonresidential units cannot be members of TSJs and their relations have to be regulated through agreement. At the same time, the law clearly determines the obligation of owners of nonresidential units to participate in common expenses on the maintenance of the common property in the building.

Although, delegates of the lower chamber could not defend their position on all issues, almost all key elements remained, i.e. apartment owners are independent in making decisions on its management and maintenance, even in separation from the existing large TSJ and establishment of the new small TSJ; general meeting of TSJ members is the highest governing body, TSJ board members provide reports and secure transparency and availability of information on TSJ activities for all members.

Single-building TSJs – is our goal to which we strive in Uzbekistan.

*From the speech of the General Director of the
Uzbek Agency "Uzkommunhizmat" given in
Namangan Province
on February 8, 2006.*

The law determined that in cases when TSJ unites several buildings apartment owners of each building at the general meetings confirm plan of works on the maintenance and repair works of the building, budget for implementation of these works, as well as report of TSJ board members on their implementation. Such meetings in each building have to be held before annual meeting of TSJ members.

These regulations of the law undoubtedly will increase the level of involvement of residents in taking decisions, transparency in the activities of large TSJs. Moreover, the experience of management of a building under the umbrella of the large TSJ will help residents become independent, which will lead to the decision of establishing a new single-building TSJ. This path of reorganizing large TSJs to the small ones will pass along with establishing private management companies by specialists, who previously worked in large TSJs, was shown by demonstration projects implemented by the Urban Institute in several large TSJs in Tashkent and Namangan cities.

The main goal of the approved law has been achieved. The new law not only allows to resolve existing problems in the activities of large TSJs, but also focuses on the future – small and single-building, resident-controlled TSJs.

KYRGYZSTAN ACTIVITIES/DELIVERABLES

Supporting Policy Change at the National Level (Task 1)

The action plan for implementation of the National Decentralization Strategy approved by Government resolution in June 2005 is being updated for 2006-2007. The action plan consists of 6 sections, and 6 working groups were tasked with updating the respective sections of the action plan. UI was included in the following working groups:

- Creating an effective legislative basis
- Political and administrative reforms, and state support of local self-government bodies
- Economic and financial decentralization
- Establishment of the municipal service and improvement of human resources management

UI made significant contributions to the sections prepared by the first three working groups. Our comments focused on formulating the lists of exclusive authorities of local self-government bodies, the exclusive authorities of state bodies, and the joint authorities; creating a mechanism of delegation of state authorities to local self-government bodies; and implementing the intergovernmental reform legislation including 1) establishing the shares of general state taxes, 2) implementing the equalization formula, 3) developing transitional provisions (such as a hold harmless provision). The work of all six working groups was compiled into one draft action plan and submitted to the Prime Minister's Office for finalization.

President Bakiev signed amendments to the Tax Code on February 1, 2006 which eliminated eight local taxes beginning January 1, 2006. The local taxes which were eliminated are:

- fee from dog owners,
- fee for the right to hold local auctions, lotteries, contests, exhibitions,
- fee for using local symbolism,
- fee for transactions made in goods/raw materials exchange,



- fee from citizens who sell flowers grown in green houses,
- fee for the right to hunt and fish,
- fee for tourists that are going to other CIS countries
- fee from video saloons and concert arrangements.

In addition to the elimination of local taxes, the amendments also reduce the profit and income taxes from 20% to 10% and increases the tax on vehicle owners. The changes to the income and vehicle owner tax are also effective January 1, 2006, but the changes to the profit tax only become effective January 1, 2007.

On February 6, President signed the Law on Changes to the Law on LSG and LSA which re-established rayon keneshes. The rayon keneshes will now be formed from all deputies of village and city keneshes of the appropriate territory. The rayon keneshes' authorities include approving the appointment of the head of the Local State Administration and expressing distrust in him. This law also abolishes the provision that the village head is also chairman of the village Kenesh. But the Head of Rayon subordinated cities remains the chairman of the city kenesh.

On February 17, the Ministry of Economy and Finance disseminated to the other ministries for comment a draft law on amendments to three laws which would formally introduce the concept of budget withdrawals. The amendments would affect the Basic Principles of Budget Law, the Law on Financial and Economic Basis of Local Self-Governments, and the LSG/LSA Law. Although these "negative transfers" have been carried out in the past, there was no legal basis for doing so. The proposed budget withdrawals would allow transfers from the local budgets to the republican budget in cases when forecasted revenues of local budgets exceed forecasted expenditures. The Law on the Republican Budget would establish the limits which can be transferred for the coming financial year and the procedures for calculation and payment. The amendments propose that the amount of budget withdrawals can not exceed the amount of revenues of that the respective local budget received from the general state taxes. Budget withdrawals will be used to capitalize the equalization pool. The Agency of Local Self-Government Affairs forwarded the draft law to UI Bishkek for comment. We are currently analyzing the draft changes and will provide written comments in early March.

Asset Management (Task 2A)



Signing Ceremony of the Kara-Balta Park
Management Contract

Kara-Balta City Administration signed an agreement with the winner of the park concession competition, JSC KKP. The concession agreement was developed by UI which was signed without modifications by both the City and JSC KKP. The Agreement includes 1) the terms of the agreement; 2) the rights and responsibilities of the parties; 3) agreement guarantees; and 5) follow-up actions. A public signing ceremony was conducted on February 8, with the participation of the mayor, the vice-mayor, and representatives of the City Kenesh.

UI conducted two 1-day trainings on the Basics of Asset Management for 44 newly-elected kenesh deputies from Kara-Suu, Nookat, Kyzyl-Kiya and Uzgen. The trainings focused on: 1) why municipal property management issues are important for the City Council; 2) municipal property legislation in the Kyrgyz Republic; 3) the main principles of municipal property management; 4) the role of the City Council regarding municipal property management; and 5) review of the current municipal property management situation in cities and possible tactics and strategies of the city councils regarding municipal property management.

The Osh City Administration continues to develop its inventory of municipal lands. The land inventory team is currently touring the central zone of the city, inventorying vacant land parcels and mapping them. To date, specialists have completed about 50% of the planned work. The inventory currently includes 240 land plots of at least 20 m² covering a total area of 35 hectares.

The Karakol City Administration is nearing completion of its inventory of municipal lands. The Karakol land inventory team has toured the central zone, inventoried vacant land parcels and mapped them. At the moment specialists have completed approximately 90% of the planned work

Jalal-Abad City registered 51 vacant municipal land plots. As a result of the vacant land inventory, Jalal-Abad identified 130 land parcels with an area of 33 hectares. The city is working to register these land parcels as municipal property with GosRegister. After 3 months of discussion with the city about the registration status of the land parcels (preliminary or final, the latter gives full property rights to the city), GosRegister registered 51 land parcels with final status out of the 130 total. Registration of the remaining 79 parcels has not been completed because GosRegister is still researching the ownership status of each parcel.

Jalal-Abad City and UI have completed the first draft of a Municipal Land Strategy. The Land Strategy describes the principles of municipal land management in the city and includes the following issues: 1) why the city needs a strategy; 2) a list of municipal land including land under municipal buildings, vacant land, and common use land; 3) the principles determining the city's policy regarding municipal land; 4) management of vacant municipal land; 5) management of common use land, 6) management of land in temporary use, including lease; 7) organizational aspects including who is responsible for carrying out the land management; 8) financial aspects pertaining to land management (such as how revenues from land management will be used); 9) provision of information regarding municipal land management to the City Administration, City Kenesh, and the Kenesh. Once the Land Strategy is completed, a public hearing will be held to solicit the opinions of the community.

UI launched a survey of the current asset management practices in all cities in Kyrgyzstan. The survey is being undertaken to obtain a solid basis for better targeting our assistance in this area. The questionnaire was developed and sent to all 24 cities. It covers four subject areas:

- Inventory and registration of municipal real property,
- Classification according to a suggested methodology,
- Practices in leasing municipal property, and
- Privatization of municipal property and land management.



Upon request, UI provided assistance to the Nookat City Administration on land management issues. UI met with the City Administration and discussed the following topics: 1) the legal basis for municipal land; 2) management of common use land; and 3) the steps necessary to develop a municipal land inventory.

Municipal Utility Enterprises (Task 2B)

On February 27 UI conducted a training in cooperation with ARIS, on the legal relationship between utilities and local-self governments. Participants included 33 Vice-Mayors, City Kenesh deputies, Heads of Municipal Property Departments, and Heads of Vodokanals and KKP from the 9 northern cities of Kant, Talas, Tokmok, Cholpon-Ata, Shopokov, Balykchy, Kara-Balta, Naryn and Karakol. During the training UI discussed issues related to the transfer of property related to provision of water, sewage, city improvements, and garbage removal service from state ownership into municipal ownership; state registration of immovable objects; legal issues related to communal services provision; rights and responsibilities of local-self government bodies with regard to communal services; and the advantages and disadvantages of providing municipal property to service providers with the right of economic management or use rights. UI then presented a series of documents which can be used to structure the relationship between a city and a municipal service provider including:



Participants Prepare Presentations on Pros/Cons of the Model Documents

- Charters – Used to establish a *municipal* Vodokanal or KKP
- Use Procedures or Use Agreement – Used to govern the use of municipal property by either a municipal entity (Use Procedure) or a State entity

(Use Agreement). These documents establish the rights and responsibilities of each party.

- Contract for Services Rendered Between a KKP and a City – Governs the 1 year commercial relationship between a City and a KKP, regardless whether the KKP is municipal, state, JSC, or private, in which the City purchases certain services at an established cost (i.e. street cleaning, park maintenance, street lighting, etc.).
- Sample Reporting Documents (including an Annual Operating Plan, Annual Budget Plan, Quarterly Report on the Execution of the Operating Plan, and Quarterly Budget Execution Report) – Used to report to the local self-government by a service provider using municipal property regardless whether it is municipal, state, JSC, or private



Presentation by Head of Balykchy City Kenesh

The same training will be conducted on March 1 in Osh and March 2 in Jalal-Abad for southern cities.

UI conducted two training for NGOs which have been hired to conduct the Consumer Satisfaction Survey in cities throughout Kyrgyzstan. The 25 cities were grouped into 8 regions (by



Customer Satisfaction Survey Training in Osh

oblasts with Jalal-Abad Oblast split into 2 regions) and seven NGOs were hired to conduct the surveys (one NGO will conduct the survey in Chui and Issyk-Kul Oblasts). Regional trainings were held in the North and South for the NGOs to review the questionnaire in detail, to answer questions, and to provide instructions on how to fill the Excel summary table which will be used to tabulate responses.

Implementation of the billing and collection software is ongoing at Tokmok Ecolog and Tokmok Vodokanal. Customer information and balances of individual customers are being updated.

Financial Management (Task 2C)

The Ministry of Economy and Finance sent the data request on 2005 local budgets drafted with UI's assistance to its regional offices. The deadline for data submission on LSG budgets should have been submitted to the Ministry by February 27 however, complete data has still not been received. The data will be entered into the equalization database in order to inform decisions on shares of shared taxes and the equalization pool for the 2007 fiscal year.

The Ministry of Economy and Finance, with World Bank funding, contracted private consultant to work on intergovernmental finance issues. Alexander Dirugin is an employee of the Fiscal Policy Center in Russia. His main task will be to develop recommendations on a number of issues concerning the implementation of the new budget system for the 2007 budget year as stipulated in the new legislation, including shares of general state taxes, equalization formula and assignment of expenditures. UI has met with the Mr. Dirugin to share all available information and data and will work with him in the future. Because Mr. Dirugin is hired by the Ministry of Economy and Finance, he has the advantage of extremely good access. UI plans to continue its close cooperation with Mr. Dirugin in the future in an effort to get the financial reforms implemented.

Sulukta and Karakol cities completed a formal review of the implementation of the city strategy. In Karakol City the monitoring results demonstrate that 96 of the 155 actions in the strategy (62%) were implemented, an additional 4% of the actions were partially implemented, and 34% of the actions have not been implemented at all. The monitoring results will be presented to the Karakol City Council for approval in the beginning of March.



ToT on Strategic Planning

City strategy monitoring results in Sulukta City shows that 43 of the 143 total actions in the strategy (30%) were implemented. An additional 8% of the actions have been partially implemented and 62% of the actions have not been implemented at all. The Sulukta City Kenesh has already approved changes to the City Strategy made after monitoring.

To date, four cities including Kyzyl-Kia, Balykchy, Sulukta and Karakol have completed city strategy monitoring. Uzgen and Jalal-Abad cities are in the process of monitoring implementation of their city strategies. These two cities will complete monitoring and thereafter will submit the results to the local Kenesh for

approval.



On February 16-17, UI provided a ToT on strategic planning and prioritization of investment projects for the trainers of the Mercy Corps' Collaborative Development Initiative (CDI) Project and Foundation for Tolerance International. The seminar, which was provided within the framework of the CDI Project, was aimed at preparing CDI staff to moderate the strategic planning process. Because UI's strategic planning model is similar to what the CDI Project envisions, our training served as a very good basis. Prior to the training, UI modified our training materials and techniques to make them more economically-oriented. Following the seminar, CDI trainers will train local economic development councils in selected clusters (groupings of local communities) to develop strategic plans in corresponding clusters.

Empowering Locally Elected Councils (Task 2D)

Two training sessions on the Basics of Asset Management were conducted for 44 council members of the cities of Uzgen, Nookat, Karasuu and Kyzylkia. The one-day trainings included the following topics: 1) the legal basis for municipal ownership rights; 2) the main principals of municipal property management; 3) the role of the City Kenesh in municipal management and in controlling the financial status of municipal property; and 4) functions of the property manager. Participants from all cities raised many practical issues dealing with the process of property registration, classification of municipal objects, and property use.

Nookat City Kenesh was the first to submit an application under the Guest Expert Program. In accordance with a list of questions included in Nookat's application, UI provided consultation for Kenesh deputies on the following issues: 1) the process of transferring objects of state property to municipal ownership and its subsequent registration, and 2) land management issues including developing an inventory of municipal land. Although the Guest Expert Program is aimed at providing consultations from non-UI staff, in this instance, UI had the expertise on staff and we therefore provided the consultation ourselves.

Association of Cities Institutional Development and Support (Task 3A)

The General Assembly of the Association has been postponed again due to the non-availability of the Head of the Association, Mrs. Baibolova who is in the U.S. for two weeks on the International Visits Program. No specific date has as yet been set for the General Assembly. UI is currently assessing the charters of Associations in different countries whose experience can potentially be applied to the ACKR. The results of the assessment will be presented during the General Assembly.

Regional Housing Associations Institutional Development and Support (Task 3B)

Nash Dom provided assistance to residents of 5 buildings in Bishkek to organize and legally register 3 TSJs (comprised of 199 units in total). TSJ facilitators from Nash Dom also provided advice and assistance to initiative groups to prepare documents for the registration of 6 additional new TSJs in Bishkek. Nash Dom reports an increase in the number of calls and visits for assistance in formation and registration of TSJs. On average, they currently receive 4-5 calls and 2 visits a day. Following the initial consultation by Nash Dom during which initiative groups are also provided with forms for legal documents, it takes initiative groups approximately a month to complete the forms for legal registration. The registration process (including the last step of opening a bank account) requires 20-30 days. Each new TSJ currently pays 2,500 Som for the registration.

Nash Dom provided consultations on accounting issues to member TSJs. 3-4 such consultations were provided per day prior to the March 1 deadline when legal entities (including TSJs) need to present their annual accounting reports. Normally, the number of calls for accounting issues is 3-5 per week.

UI Bishkek conducted a TSJ orientation meeting in Kara-Balta on February 24. The TSJ orientation meeting stemmed from a request of the new Mayor in January. UI staff delivered a presentation to 15 active residents of multi-unit buildings in Kara-Balta and 3 staff members of the city government. The presentation focused on ownership of common property, obligations towards common property, and options for management/maintenance of common property in multi-unit residential buildings as specified in Kyrgyz legislation. A large part of the presentation was dedicated to the advantages of TSJs and how to organize and legally register a condominium. Forms for legal registration were provided to participants and city officials. City officials also received an electronic version of all the documents required for legal registration. The last part of the presentation focused on rights of unit owners to land parcels around multi-unit residential buildings and steps to be taken by residents in order to execute these rights. The seminar concluded with the agreement that: (1) the City Administration will provide assistance and support to initiative groups to promote TSJs and to prepare legal documents; (2) the leader of the only existing TSJ in Kara-Balta will provide consultations on TSJ registration and operation issues to the initiative groups; (3) participants of the seminar will organize meetings in their buildings for promotion of housing associations.

UI Bishkek designed and produced 4,000 copies of pamphlets on regarding land around multi-unit residential buildings in Kyrgyz and Russian languages. The pamphlet includes a brief overview of the legal ownership of land parcels around multi-unit residential buildings, procedures for identifying boundaries of the parcels, legally stated norms for sizes of land parcels, and initial steps for registration of common shared ownership rights of residents to such parcels. The pamphlets were published for residents of TSJs.



Northern Mass Media Session

2,000 copies were provided to Jalal-Abad and Osh regional housing associations for further distribution among TSJs and residents of multi-unit residential buildings.

UI Bishkek continued distribution of TSJ related posters. Over 300 copies of TSJ related posters (in both Kyrgyz and Russian languages) were provided to the participants in Kara-Balta (*see above*) and 200 copies of TSJ promotion posters in the Kyrgyz language were provided to Naryn Konush Regional Housing association for Naryn TSJs.

On February 10 and February 28, UI Bishkek conducted regional mass media sessions for journalists on the issue of land around multi-unit buildings. The trainings focused on who owns the land around multi-unit buildings, how to identify boundaries the boundaries of the land parcel, and how to prevent conflicts. The session was designed in the form of presentations, Q & A sessions and group discussion on a case study. The main purpose of the meeting was to give journalists a solid understanding of the legal aspects and issues regarding land around multi-unit buildings. Following the presentation, 2 participating journalists wrote articles on land around multi-unit building issues using UI's materials. Participants included 10 journalists from Bishkek and Tokmok in the northern session on February 10 and 15 journalists from Osh, Jalal-Abad, and Batken in the Southern session on February 28.



Academy of Management Institutional Development and Support (Task 3C)

The Academy of Management, in cooperation with the Presidential Administration, started the second phase its large scale training program for local governments. The training in the second phase is targeted at ayil-okmotu and city apparatuses and for rayon state administrations (the first phase of training was aimed at heads of ayil-okmotu and cities). Training started on February 9 and will continue through March 4. Training will take place in 40 rayons and is planned to cover 471 ayil-okmotu and 25 cities. The total number of participants invited to the trainings is 2,826.

Standby Legal Resources (Task 4)

UI approved one of the two outstanding applications from Jalal-Abad to appeal a court decision. The lawyer will complete the task by the end of March. Jalal-Abad decided to withdraw the second application after speaking with UI about the consequences.

An application was submitted by Nookat city requesting consultation regarding the competence of the City Kenesh to approve prices for paid services rendered by the market. UI requires further details in order to consider the application and will contact the City Administration to further discuss their application.

TAJIKISTAN ACTIVITIES/DELIVERABLES

Policy Dialogue and Supporting Policy Change (Task 1)

A seminar was conducted on Key Issues of Local Self Government Legal and Policy Framework for central and local government officials in Dushanbe.



The seminar was organized in cooperation with the Presidential Office. The goal of the seminar was to provide 55 central and local government officials with an approach to developing a legal framework for effective local self-government. The seminar was a part of preparation for implementing the Public Administration Reform Strategy. This strategy will be effective after it is signed by the President. Juliana Pigey from UI was the main presenter. Participants represented the Presidential Office, the Parliament, the Constitutional Court, the State Unitary Enterprise, the Ministry of Economy, the Ministry of Justice, Oblasts, Rayons, Cities, and Jamoats. Also participating were representatives of the donor community including USAID, the World Bank, UNDP, ADB, JICA, Swiss Corporation, Soros Foundation, Aga Khan Foundation and MSDSP and GTZ. Among these questions were such issues as organization of local self-government bodies, functions and authority, finances and independent budgets, property and property rights. The participants said that the seminar was a good starting point for building a common ground for establishing

the necessary package of legislation for local self-government in Tajikistan. Another seminar is planned for May on the issue local self-government legal framework issue.

Technical Assistance and Training to Cities/Towns (Task 2)

Support for Financial Plans Based on Actual Costs

The use of the new route recording forms for tracking solid waste removal was begun at communal services enterprises of Kurgan-Tube, Yavan, Kolkhozabad and Jami. Preliminary analysis of this data is in process.

Improved Financial Planning

Five-year budget forecasts produced by UI with Jami and KurganTube Cities were analyzed and compared to three year budget forecasts prepared by the financial departments of the respective cities. The obtained results will be discussed with the new resident and budget consultants. The process will then go to the local specialists from the Ministry of Finance, financial departments of Khatlon Oblast, Jami District and Kurgan-Tube City.

Financial assessment of Khujand Communal Services delivery was held in early February. Data was analyzed and recommendations are being prepared on methods to improve the financial management at the enterprise and to improve the use of budget funds. The Mayor of Khojend and members of his staff met with UI staff to discuss the financial and management problems of the communal services operations in Khojend. It was agreed that the LGI II project would provide technical assistance and additional training opportunities to the communal services manager before any new grants would be made. The Mayor asked that recommendations be discussed with him as well as with the enterprise. Therefore all recommendations will be discussed with the Khujand City Chairman in early March, 2006.

First Training on Low Technology Solid Waste Management was conducted in Vose District. Total of 24 people participated, including local council members, mahalla leaders, representatives of khukumat financial department, communal services enterprise, nature protection committee, education department and sanitary epidemiological station specialists. The workshop allowed participants to analyze the work of enterprises responsible for the garbage collection and carrying, identify weak points and familiarize with new low technology and cost-effective ways of solid waste management. The session on citizen involvement was of great interest for education department specialists and mahalla leaders.



Full Cost Accounting for Services and Fee Setting Workshops were conducted in Kanibadam and Istaravshan Cities. Fifty-two people participated. City Chairmen and their deputies, local khukumat administration staff, Council members, Communal Service Enterprise employees, financial specialists and Vodokanal enterprise staff were introduced to modern techniques of full cost accounting for services, and allocation of fees among service consumers. The major focus was placed on fee setting based on real costs, capital investment plans, and determining funding sources. The trainees expressed ideas that this



and further UI trainings will prepare them for implementation of the WB funded Social Infrastructure Development Project in Tajikistan and organization of future effective financial management at housing and communal services enterprises and Vodokanal enterprises.

A TOT on the seminar for Modern Budgeting was conducted in Dushanbe. Ten new UI trainers from Dushanbe and Khatlon received training on techniques and methodology for conducting this workshop. The TOT workshop explored the differences between the existing budgeting process in Tajikistan and the proposed modern budgeting process. Ways to implement the techniques were discussed. The new UI trainers were introduced to examples of UI work on budget transparency in pilot cities.

Develop a Billing and Collection System

Assessment of current billing and collection system in Yavan is completed. The assessment is in process in Kolkhozobod, Jami and Kurgantube cities.



Complete the Management Demonstration Programs on Improving Waste Management Methods *Khujand Composting Project*

The communal services department of Khojand city screened more than 5 tons of the prepared compost to sell at a regional Fair of plants and agricultural supplies held in Khujand city. The Khojend communal services department began processing fall leaves into compost in the fall of 2005 with the assistance of

LGI II consultant Peter Engel. This Spring, the LGI II project provided 400 polyethylene bags in a grant to the department. During the Fair, the compost was successfully introduced and sold to the consumers at the fair. A total of 2,300 kilos of compost was sold. Istaravshan and Kanibadam City representatives were invited to the Fair to see the compost sale. The Khujand City Chairman highly appreciated the Urban Institute contribution and assistance provided on the project implementation.



Kolkhozabad Composting Project

The composting project in Kolkhozabad was begun this fall. The first leaf piles were



built and were turned by the Communal Services workers with technical assistance of Urban Institute staff.. A second pile was built with the use of one truck of water and the loader. Next turning of both piles will be done in mid-March.

Technical Assistance to Kulyab to Accept Transfer of Communal Services Management and Assets. Meetings were held with the project managers for the WB infrastructure project to discuss how Kulyab could proceed to have the communal services assets transferred to the City without losing the WB infrastructure funding for the water system. According to the WB project managers, the government must request an amendment to the WB/government contract that would allow funding to be provided to the SUE and/or local governments. This information was presented to the Mayor of Kulyab as the recommended method of amending the contract to allow the transfer of communal services assets and not lose the World Bank funding for the water system. After several meetings with the Mayor of Kulyab and discussions about the WB infrastructure project, the Mayor has decided not to pursue the asset transfer, nor the amendment to the WB contract. The net effect is that any city that is now a part of the WB infrastructure project will avoid accepting the transfer of assets to their control without losing the WB funding.

Small Grants for Improvements and Competitive Procurement Training

Jami new landfill project

For the reporting period, the Hukumat of Jami district has paid all necessary fees for obtaining permits and approvals for the use of land from the relevant institutions (Land committee, Environment Protection and etc.). The sand pits were identified, where the landfill road construction materials will be taken from. The agreement between the Urban Institute and the Jami district on the road construction and landfill management has been prepared and will be signed by the chairman.

Solid waste collection and removal with individual bins in Dangara and citizens involvement

Based on preliminary meetings with Dangara district officials, the UI trainers held 3 workshops/meetings with citizens of three streets in Dangara on February 27-28. During the meetings city administration, communal service enterprises, UI staff presented the ways of improving solid waste removal in the district. . The citizens supported the idea of solid waste collection with the use of individual bins and expressed willingness to participate in the implementation of this project. Besides, working groups were created from among the residents for each street and their tasks and functions were explained by the UI team.

Technical Assistance and Training to Jamoats (Task 3)

No activities in February

City Computer Resource Centers and Training Facilities (Task 4)

Ongoing support for the maintenance and operation of the centers is provided.

Study on Civil Registry Information (Task 5)

The task is completed. The report is being edited



Expanded Training for Locally Elected and Appointed Officials (Task 6)

Modern Budgeting Process Workshop for Locally Elected Council Members was held at Khatlon Oblast Training Center. There were twenty eight participants from the Oblast. The group included oblast and city local council members, directors of communal services enterprises, the heads of financial and economic departments from KurganTube, Kulyab, Jami, Kholkhobod, Yavan and Vose. They were introduced to international experience in budgeting process and were trained to analyze current local budget procedures. The participants also had an opportunity to discuss issues related to local budget drafts for 2007, preparation and production of city cleaning and improvement programs by communal service enterprises and their submissions to financial departments of local khukumats. The seminar allowed them to draw together understanding of modern budgeting processes and local council members' positions, financial departments and communal service enterprises.

Assessment of Options to Link Potable Water User Operations to Local Government (Task 7)

The Sharipov Jamoat Chairman has requested UI technical assistance in setting fees for water pipeline services constructed under German AgroAction support. This project was originally to be a water user association. But it has not been successfully implemented. UI will provide technical assistance to the Jamoat to determine appropriate fees and mechanisms for collecting the fees.

Technical Assistance to Review the Opportunities for Housing Maintenance Associations (Task 8)

Bakhtiyor Inamov, UI Senior Project Manager for Capacity Building, and Zilya Shomahmadova, Citizens Involvement Specialist, had a first meeting with Mr. Mamajanov, new Director General of the SUE "Hojagii manziliyu kommunali". He was introduced to the accomplishments of UI LGI II work in Tajikistan and the UI-SUE three-year partnership achievements. Further steps for cooperation were discussed. Specifically joint work on developing a draft law on "Multi-unit Buildings Management and TSJs.". As result of the meeting, SUE sent a letter to the Government of Tajikistan requesting the creation of an official drafting law working group.

Other stakeholders, including khukumats of Shohmansur and Sino Districts of Dushanbe, also are interested in this draft law. With UI agreement, the SUE forwarded a copy of the draft law to respective khukumat administrations. Currently other ministries and institutions are getting involved in preparing the draft law.

UZBEKISTAN ACTIVITIES/DELIVERABLES

National Policy Development (Task 1)

On February 24, the new Law on Housing Associations (TSJs) was approved by the Senate of Oliy Majlis (Parliament) at the 5th plenary session (see Success Story). Senators considered the new Law on TSJs previously turned down at the 4th session. The coordinating commission consisting of Parliament members of both chambers (lower and upper-house) and representatives of the Cabinet of Ministers negotiated evolved discords on the new law and elaborated a unified text of the law. Now, the new law is waiting to be signed by the President, Islam Karimov.

Within the framework of supporting local NGO partners UI prepared information on legislation of other countries on the issues of discussed discords in the new law and provided them to the Training Center "Uzkommuno'quvtashkilotch" and the Tashkent City Association of TSJs, which were involved in the work of the coordinating commission. The prepared information was related to the issues of owners of nonresidential units and if they should be TSJ members and can TSJs independently determine sizes of fines for the delay of mandatory payments by unit-owners.

The Cabinet of Ministers sent to provincial hokimiyats instructions on using recommendations for TSJ leaders on holding general meetings of TSJ members prepared by UI, which were provided to local NGO partners at the end of January (see Task 2).

Formation of Resident-Controlled Housing Partnerships (Task 2)

UI-prepared recommendations on "How to Prepare and Hold Annual General Meetings with TSJ Members" were widely discussed and disseminated in all pilot sites (except Bukhara) in a series of 18 mini-seminars, delivered with the support of hokimiyats and TSJ associations (*see pictures*). The main goal of recommendations is to help TSJ leaders to make TSJ activities more transparent through presenting full reports to TSJ members, prepare for discussion proposals on plan of works and substantiations for future expenses, as well as to involve unit-owners in decision making process. Recommendations included sample forms of report documents, plans, scripts and minutes of the meeting.

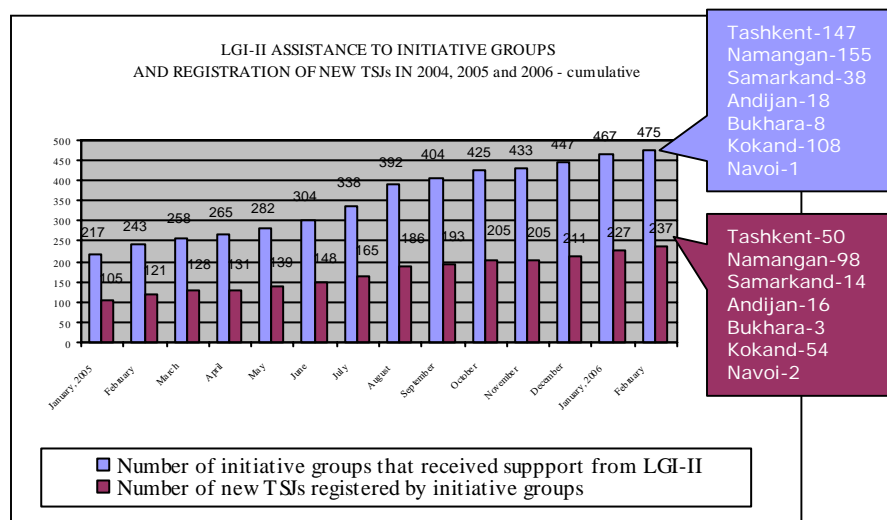


Mini-seminars and presentations of the best TSJ practices in 2005 were attended by numerous TSJ leaders

UI announced the new competition "The Best TSJ Experiences 2006" during a series of presentations of the best TSJ practices, winners of the previous competition, and the results of repair works implemented by them in 2005 under UI/USAID funding. The presentations were held in each district in Tashkent City and in all pilot cities with the support of hokimiyats and Associations of TSJs.

In February, LGI-II provided direct assistance to 8 new initiative groups and 10 groups officially registered their TSJs (*see chart*).

UI jointly with the Republican Foundation "Mahalla" conducted





a one-day seminar "TSJs and Mahalla Committees: Legal Framework for Activities and Opportunities for Collaboration" in Kokand on February 11, 2006 (*see pictures*). Coordinating mahalla councils of Fergana and Kokand cities during training received informational and methodological materials on TSJ activities.

In February, UI held plaque hanging ceremonies in 12 TSJs. In total, plaques were hanged in 22 TSJs (winners of the competition in 2005). UI will hold three ceremonies in March. Press releases and success



Plaque hanging ceremonies turned out to be one of the memorable holidays for residents

stories were prepared and disseminated during plaque hanging ceremonies in TSJs.

Formation and Support of Regional TSJ Associations (Task 3)

Tashkent City Association of TSJs received assistance from UI in designing a plan of activities for 2006 on increasing unit-owners' awareness of their rights and obligations and changing the system of management in existing TSJs and interrelations with local governments.

Eurasia Foundation decided to allocate a grant for the Tashkent City Association of TSJs for establishment of four consultation and information centers and implementation of an awareness campaign and training for TSJ leaders. UI will provide methodological assistance in project implementation. However, the implementation of this grant may be affected by Eurasia Foundation's decision to close down its representative office.

Namangan Regional Association of TSJs "Ko'mak-madad", Samarkand City Association of TSJs "Bogishamol" and Kokand City Association of TSJs with UI methodological and financial support independently delivered mini-seminars for their members on discussing recommendations on holding annual general meetings of TSJ members.

Namangan Regional Association of TSJs "Ko'mak-madad" received 18 applications from TSJs for participation in the competition, which was announced by the association and the city hokimiyat using UI competition selection criteria.

Public Awareness Campaign (Task 4)

On 28 February, UI held the fifth in a series of regular meetings with journalists from pilot sites and other locations. The meeting participants discussed options of management and maintenance in multiunit buildings and activities of private management companies. The meeting participants also discussed possibilities of deliberate transition from large TSJs, which manage and serve several buildings, to single-

building and small TSJs simultaneously with establishment of private management and maintenance companies. A representative from Tashkent City Association of TSJs, Raisa Li, was invited as a guest to share her views on the topic with journalists.

The *"Pravda Vostoka"* newspaper has successfully finished its project and provided a final report to UI. Thus, all subcontracts with the mass media have ended.

The announcement of the new competition "The Best TSJ Experiences 2006" and the media contest of individual journalists' work were published in major republican newspapers and in mass media in pilot sites of the project.

UI and Radio Station *"Do'stlik"* has come to an agreement for participation of UI experts in radio call-in shows every month.

Survey on Status of TSJ Reforms (Task 5)

No activities.

Promotion of a Market for Housing Services (Task 6)

UI has prepared informational materials on the topic "Maintenance of Multiunit Buildings: Private Management and Maintenance Companies" with appendices explaining and listing possible services on management and maintenance of the common property. The goal of these documents is to explain differences between activities on management and maintenance and underline commercial character of these organizations, whose costs are regulated by the demand. These materials were discussed at the roundtable, which was organized by the Tashkent City Association of TSJs for the chairmen of district Associations of TSJs and heads of the first private housing management companies. The materials were also provided to the journalists at the regular meeting of mass media representatives.

UI provided four consultations to nascent management companies (in Tashkent and Kokand cities).

UI provided assistance to AED/USAID in reviewing and evaluating proposals of six training providers for the study tour to one of the Eastern European countries on professional management of privatized housing stock. Now, the list of participants (12 people) is being finalized.

Legal Support for Housing Partnerships (Task 7)

No activities.



COUNTRY STAFF TRAVEL CHARTS

Kyrgyzstan

Employee	Travel in Past Month	Expected Upcoming Travel
Undeland (CoP)	Dushanbe 2/16-18; Kara-Balta 2/22; On leave 2/26-3/12	Balykchi, Jalal-Abad, Osh
McLellan (Resident Advisor)	Osh/Jalal-Abad 2/28-3/3	Kant, Kerben, Karakul, Jalal-Abad
Jerve (TDY)	In-country 2/8-15	
Abdykalykov (Municipal Finance)	Osh 2/14	Tokmok
Akmatov (Land Specialist)	Karakol 2/8-9; Osh 2/13-2/26	Osh, Jalal-Abad
Asibaliev (Municipal Finance)	Osh 2/15-17	Osh
Bektenova (Executive Officer)	Osh 2/14-15	Osh
Gradwal (Housing/Utilities)	Kara-Balta 2/22; Osh 2/28	
Mambetova (Legal Specialist)	Osh/Jalal-Abad 2/28-3/3	Kant, Kerben, Karakul, Jalal-Abad
Narusbaeva (Municipal Prop)	Kara-Balta 2/8	Kara-Balta, Jalal-Abad, Balykchy
Roman (IT Specialist)	Balykchy 2/17	Balykchy

Uzbekistan

Employee	Travel in Past Month	Expected Upcoming Travel
Irina Gentsler (Country Director)	Navoi 2/16, Bukhara 2/17, Samarkand 2/18	Bukhara 3/1, Kokand: TBD
Gavhar Alieva (Housing)	Andijan 2/6-7, Namangan 2/8-9	Samarkand: TBD
Rahima Ortikova (Grants)	Andijan 2/6-7, Namangan 2/8-9, Kokand 2/10-11, Navoi 2/16, Bukhara 2/17, Samarkand 2/18	Bukhara 3/1, Namangan, Kokand, Andijan 3/22-30
Elena Pashkova (Translator/Trainings)	Kokand 2/10-12	Andijan: TBD, Kokand: TBD, Samarkand: 3/9-12
Stella Solovei (TSJ Associations)	Kokand 2/10-12	Ahangaran 3/2, Samarkand 3/9-11, Andijan: TBD, Kokand: TBD
Norbek Pardaev (Communal and Housing Services Specialist)	Kokand 2/10-12, Samarkand 2/17-18	
Faruk Turaev (Publications/ Media)	Navoi 2/16, Bukhara 2/17	

Tajikistan

Employee	Travel in Past Month	Expected Upcoming Travel
Davis (Country Director)	Kulyab, Kholkozobod, Kurgan-Tube	Jami, Kolkhozobod, KurganTube, Yavan, Tavildara, Khujand, Kanibadam, Istaravshan
Szymanowicz (National Policy)	na	Na
Babaeva (Decentralization)	na	Na
Ahmad (Project Implementation and Training Specialist)	Khujand, Jami, Kolkhozobod, KurganTube, Yavan	Khujand, Jami, Kolkhozobod, KurganTube, Yavan
Shomakhmadova (Citizens Involvement & Grants)	Jami, Kolkhozobod, KurganTube, Yavan	Yavan, Jami, Khojend
Akrami (Assistant Citizen Involvement & Grants)	Jami, Kolkhozabad, Dangara, Khujand, Vahdat, Nurek, Vose, Kulyab	Jami, Kolkhozabad, Dangara, Kanibadam, Istravsan
Nekfar (Project Manager)	na	Jami, Yavan, Kolkhozabad, Vahdat,

		KurganTube
Inamov (Senior Manager)	Istaravshan, Kanibadam, Dangara	Istaravshan, Kanibadam, Jami, Kurgan-Tube, Dangara
Shuhrat (Training Supervisor)	Vose, Istaravshan, Kanibadam	Tavildara, Vose, Kanibadam
Gulru (Training)	Vahdat, Kurgantube	Vahdat, Vose, Istaravshan, Kanibadam

NOTE: TRAVEL INCLUDED IN THE TABLE MAY INCLUDE TRAVEL FUNDED THROUGH A DIFFERENT CONTRACT (E.G. ARIS OR CONFLICT MITIGATION IN KYRGYZSTAN OR CONFLICT MITIGATION IN TAJIKISTAN), HOWEVER, IT REFLECTS A UI/LGI II PROJECT PRESENCE AND IN MOST CASES LGI II PROJECT ISSUES ARE DISCUSSED WITH COUNTERPARTS IN THE FIELD.

PROGRAMMATIC AND OPERATIONAL ISSUES

Regional

CoP Charlie Undeland was invited to serve on the Board of Trustees for the newly registered Eurasia Foundation of Central Asia, which is to take over from the Eurasia Foundation's efforts in the region in at least Kazakhstan, Kyrgyzstan, and Tajikistan. At the first board meeting he was elected chairperson of the Board. The Board includes a former U.S. Assistant Secretary of State, a former U.S. Congressman, and a former Minister in the Government of Kazakhstan.

Emily Jerve from UI Washington was in Tajikistan from February 2 to February 15 and in Kyrgyzstan from February 8 to February 15. She was in region to review grants programs in the region. She was not able to receive a visa to Uzbekistan and hence had to review the grants program administrative issues together with COP Undeland in Kyrgyzstan.

Kyrgyzstan

The political tensions in Kyrgyzstan have settled down. The month of February brought a political battle between President Bakiev and the Speaker of the Jogorku Kenesh, Mr. Tekebaev. Tekebaev eventually resigned as speaker, and Murat Sultanov, has since been elected to replace him. Despite this political fracas, and two recent assassinations of lieutenants to Rysbek Akmatbaev (a mafia leader and brother to the MP who was assassinated last fall), the political tensions seem to have lessened. However, the national government still has not engaged in any reform efforts, either with our project or other donor projects. This will certainly not change in the lead up to the anniversary of the March revolution.

The private concession contract of the Balykchi beach encounters problems. The investor who is privately managing the asset has told the city and UI that he has decided that continuing political uncertainty will mean another poor tourist season at Issyk Kul and therefore he wants to pull out of the contract. His performance guarantee would be retained by the city. However, the further management arrangement for the beach is not clear. A new acting mayor has been appointed in Balykchi (he formerly worked in Jalal-Abad Oblast) and he wants to take over control of the beach directly by the city. There are apparent tensions between the kenesh and the new mayor over a number of issues, including the fate of the concession, with the latter supporting redoing the concession. Much of the tension is due to the



parliamentary elections in Balykchi in which Rysbek Akmatbaev is a candidate; the appointment of the new acting mayor is in connection with the political tensions arising from the situation.

Tajikistan

Administrative changes and problems. A third resident advisor for the project, Thomas Ross, has been selected and are awaiting approval from the contract office in Almaty. All programs seem to be on schedule.

The Spring rains continue to bring power outages and brown water.

Owing to changes (and attendant problems), there are changes in UI Dushanbe's numbers. The basic office number is now: 992 372 224-6161. Davis's home landline number is now: 992 372 224-0241.

World Bank infrastructure project encourages centralization. Although the project managers have said that the WB would be amenable to amending the contract with the government to allow local governments to be eligible for funding, the concern for the loss of the funding is uppermost in the mayors' minds. The mayor of Kulyab has said that he is unwilling to risk the loss of the million USD for his water system. And the SUE which is the managing agency of the funding sees this as a way to prevent the decentralization of the services which it currently controls. The bottom line is that for these eight primary cities in Tajikistan: Kulyab, Kurgan-Tube, Kanivodom, Istravashan, Vose, Vahdat, Dangara and Garm, there is and will continue to be little chance of decentralization due to the WB contract which would penalize them if they decentralize and take control of their communal assets. The WB has made it clear that the request to change the contract must come from the government for the contract change to occur. This is highly unlikely in anything like the near future.

Uzbekistan

On February 10, President Islam Karimov made a speech at the governmental meeting, in which he determined main directions of deepening economic reforms. One of the priority directions was named reforms in the housing and communal sector, including the issues of management and maintenance, as well as the increase of TSJ status, independence and effectiveness of its activities. The President noted that the main objective of TSJs is to become true self-governed institutions of unit-owners. He emphasized that TSJs have to act as customers of services, and if there is no competition among contractors in the market, then it would be difficult to change the situation with management, provision of services and repair works of buildings.

It can be seen that the previously UI-prepared analysis of TSJ activities was the major influence in assessment of the situation with TSJs in Uzbekistan, which were widely disseminated in the form of a brochure and included information on advantages and successes of single-building TSJs.

The President instructed the Cabinet of Ministers to prepare a program of measures on strengthening TSJs, eliminating monopoly and forming true market of repair and communal services in a two months period.

In connection with this, the Uzbek government made the decision to make TSJs smaller consisting from 1 to 5 buildings with a total number of apartments not more than 200-300. At the same time, the government is expected to support establishment of management and maintenance companies on the basis of former large TSJs, which will serve buildings of the newly-established small TSJs.

Associations of TSJs from different regions will be also involved in preparation of a governmental resolution through which UI will propose several measures directed at increasing knowledge of unit-owners, increasing their independent decision making and developing mechanisms of bidding processes and selection of management and maintenance companies.

UI prepared and sent responses for the Ministry of Justice (MoJ) comments and all requested documentation after the monitoring had been conducted on December 12, 2005. Now, UI/Tashkent is waiting for the official response from MoJ, which did not specify when it will be provided.

UI faced difficulties, in organizing plaque hanging ceremony in TSJ *"Nodirabegim"* and viewing of implemented repair works in TSJ *"Barno Bobo"* in Bukhara City with participation of the US Ambassador to Uzbekistan, John Purnell, on February 17. The events were cancelled by the Bukhara City Hokimiyat without giving any reasons. At the same time, hokimiyat asked UI to postpone delivery of the seminar on recommendations of holding general meeting of TSJ members and presentation of the competition. Later, all these events took place on March 1.

UI announced an opening for the position of a legal specialist and has already interviewed applied candidates.



COUNTRY TASK CHARTS

Kyrgyzstan

ACTIVITY	RESULTS IN FEBRUARY 2006	UPCOMING ACTIVITIES (next 2 months)
<i>Supporting Policy Change at the National Level (Task 1)</i>	<ul style="list-style-type: none"> Comments provided to the National Agency on LSG Affairs and Prime-Minister's Office on the implementation action plan for 2006-2007 for the National Decentralization Strategy 	<ul style="list-style-type: none"> Amendments to the LSA/LSG revised and submitted again to the Government (March) Work on implementation of the fiscal decen. reforms (on-going) Comments provided to LSG Agency on the Ministry of Economy and Finance's proposal to reinstitute negative transfers (March) Seminar for MPs on decentralization (Mar 17-19)
<i>Asset Management (Task 2A)</i>	<ul style="list-style-type: none"> Contract signed between Kara-Balta city administration and the concession competition winner Two trainings conducted on the Basics of Asset Management for <i>kenesh</i> deputies of four southern cities Jalal-Abad registered 51 vacant municipal land plots First draft of Jalal-Abad's Land Strategy completed Survey launched on current asset management practices Consultation provided to Nookat on land man. issues 	<ul style="list-style-type: none"> Land strategy in Jalal-Abad, Karakol, and Osh completed Asset management trainings for city councils (on-going) Survey of the current asset management practices in all cities in Kyrgyzstan completed (March)
<i>Municipal Utility Enterprises (Task 2B)</i>	<ul style="list-style-type: none"> Seminar on Legal Relationship Between Utilities and Local-Self Governments was conducted for all northern cities in cooperation with ARIS Two trainings conducted for NGOs who have been contracted to conduct the Customer Satisfaction Survey 	<ul style="list-style-type: none"> Seminar on Legal Relationship Between Utilities and Local-Self Governments conducted for all southern (March 2 and 3) Implementation of the billing software in Ecolog and Tokmok Vodokanal completed (April-May) Customer satisfaction survey conducted (March)
<i>Financial Management (Task 2C)</i>	<ul style="list-style-type: none"> The Ministry of Economy and Finance distributed data request on 2005 LSG budgets Sulukta and Karakol cities conducted monitoring of their city strategies ToT on strategic planning conducted 	<ul style="list-style-type: none"> Strategy implementation monitoring in Jala-Abad and Uzgen (March-April) Karakol City Administration submit city strategy monitoring results to the Kenesh for approval (March) Assistance to the MoEF in creating LSG budgets database (March-April)
<i>Empowering Locally Elected Councils (Task 2D)</i>	<ul style="list-style-type: none"> Training on Basics of Asset Management for Kenesh deputies of Uzgen, Nookat, Karasuu and Kyzylkia 	<ul style="list-style-type: none"> Training for councils (March-April) Exchange tour to Jalal-Abad (March)
<i>Association of Cities Institutional Development and Support (Task 3A)</i>	<ul style="list-style-type: none"> Preparation for General Assembly 	<ul style="list-style-type: none"> ACKR's General Assembly

<i>Regional Housing Associations Institutional Development and Support (Task 3B)</i>	<ul style="list-style-type: none"> • 3 new TSJs registered in Bishkek • TSJ promotion meeting in Kara-Balta • Mass media sessions on land around multi-unit buildings • Production/distribution of pamphlets on land around multi-unit buildings 	<ul style="list-style-type: none"> • Identification of land boundaries (on-going) • TSJ-educated client trainings (on-going)
<i>Academy of Management Institutional Development and Support (Task 3C)</i>	<ul style="list-style-type: none"> • Training for LG officials of 471 ayil-okmotu and 25 cities 	<ul style="list-style-type: none"> • Involvement of Academy persons in LGI II training • Joint training in cities for city staff persons
<i>Standby Legal Resources (Task 4)</i>	<ul style="list-style-type: none"> • Jalal-Abad application approved • Nookat application is pending 	<ul style="list-style-type: none"> • Review of applications (on-going) • Review of the program and determination of any necessary changes (March)

Tajikistan

TASK	RESULTS IN FEBRUARY 2006	UPCOMING ACTIVITIES (next 2 months)
<i>Policy Dialogue and Supporting Policy Change (Task 1)</i>	<ul style="list-style-type: none"> • Conducted seminar on Key Issues of LSG Legal Framework Development for the central and local governments officials 	<ul style="list-style-type: none"> • Study the issues of the current legal framework of LSG in Tajikistan (organization, functions, finances, property) • Preparation of a seminar on developing the legal framework for LSG in Tajikistan
<i>Technical Assistance and Training to Cities/Towns (Task 2)</i>	<ul style="list-style-type: none"> • Low Cost Technology for Solid Waste Management Workshops held in Vose District. • Full Cost Accounting for Services and Setting Fees Workshops conducted in Kanibadam and Istaravshan Cities • TOT on Modern Budgeting for new UI trainers was conducted in Dushanbe. • Assessment on Khujand communal services department was begun • 3 Meetings/workshops held on solid waste issues and ways of resolving with citizens involvement in Dangara • Compost material prepared and put for sale in Khujand by the communal services department • Pile No.1 turned and Pile No.2 built in Kolkhozabad for composting project. 	<ul style="list-style-type: none"> • Full Cost Accounting for Services and Setting Fees Workshop to be held in Vose District. • Modern Budget Processes Workshops in Kanibadam and Istaravshan • Deepened Budget Planning Seminar to be conducted in Istaravshan • Public Hearing Workshop to be conducted in Vahdat City. • Technical Assistance on Full Cost Accounting of Services and Fee Setting to Communal and Housing Services Enterprise of Vahdat City • "Clean City" lessons in Yavan and Jami secondary schools • Recommendations financial management for Khujand City and communal services department; • Technical Assistance to Kolkhozabad Communal Services Enterprise under Leaf Composting Project to be provided • Technical Assistance to Jami District under New Landfill Project • Completed recording routes for solid waste removal to be analyzed for Kurgan-Tube, Yavan, Kolkhozabad, Jami. • Technical assistance to Dangara district on waste collection schedule, purchase of bins and distribution with the involvement of citizens;



		<ul style="list-style-type: none"> • Technical Assistance to all cities in multiyear budget forecasting
<i>Technical Assistance and Training to Jamoats (Task 3)</i>		<ul style="list-style-type: none"> • Technical assistance to local government of Tavildara District on improving solid waste management (partnership w/ conflict • Partnership Agreement with Sagirdash Jamoat in Badakhshan
<i>City Computer Resource Centers and Training Facilities (Task 4)</i>	<ul style="list-style-type: none"> • Khatlon Oblast Training Center facilities were used for Modern Budget Processes Workshop 	<ul style="list-style-type: none"> • IT equipment and training for utilities in Kanibadam, Istaravshan, Vahdat, KurganTube Dangara and Sagirdashto to be provided
<i>Study on Civil Registry Information (Task 5)</i>	<ul style="list-style-type: none"> • na 	<ul style="list-style-type: none"> • na
<i>Expanded Training for Locally Elected and Appointed Officials (Task 6)</i>	<ul style="list-style-type: none"> • Modern Budgeting Processes Workshop held for Locally Elected Council Members. 	<ul style="list-style-type: none"> • Citizen Involvement Workshops to be held for new locally elected officials and council members of Khatlon Oblast.
<i>Assessment of Options to Link Potable Water User Operations to Local Government (Task 7)</i>	<ul style="list-style-type: none"> • An overview of the status of existing water system was conducted 	<ul style="list-style-type: none"> • Technical assistance to the Sharipov Jamoat on Costing services and setting fees for water usage.
<i>Technical Assistance to Review the Opportunities for Housing Maintenance Associations (Task 8)</i>	<ul style="list-style-type: none"> • Draft law on housing associations was developed and an unofficial Working Group created for further development and lobbying of the law on housing associations 	<ul style="list-style-type: none"> • Round Table «Management and Maintenance of Housing Stock in Multiunit Buildings» to be arranged (april) • Working meetings within TSJ Support Program to be held • A Study Tour on Housing Associations to Kyrgyzstan • Selection of the pilot buildings in partner cities • Information campaign for owners

Uzbekistan

TASK	RESULTS IN FEBRUARY 2006	UPCOMING ACTIVITIES (next 2 months)
<i>National Policy Development (Task 1)</i>	<ul style="list-style-type: none"> • New Law on TSJs accepted by the Parliament • Prepared and provided information on legislation of other countries to local NGO partners • Disseminated recommendations for TSJ leaders on holding general meetings of TSJ members 	<ul style="list-style-type: none"> • Provide assistance to non-governmental partners in preparing recommendations for the governmental program on improving TSJ activities • Prepare sample bylaws of TSJs and agreement between TSJs and owners of nonresidential units (in connection with acceptance of the new law)
<i>Formation of Resident-Controlled Housing Partnerships (Task 2)</i>	<ul style="list-style-type: none"> • 18 mini-seminars on holding general meetings for TSJs • Training on TSJs and Mahallas in Kokand • Provided direct assistance to 8 new initiative groups and 10 groups officially registered their TSJs 	<ul style="list-style-type: none"> • Prepare recommendations on explaining residents the new Law on TSJs • Provide consultations for residents and TSJ leaders (ongoing) • Trainings for Andijan, Kokand and Samarkand TSJ leaders on professional management

	<ul style="list-style-type: none"> • Announced "The Best TSJ Practices" competition and the media contest • Plaque hanging ceremonies in 12 TSJs • Disseminated press releases and success stories for the plaque hanging ceremonies in TSJs 	<ul style="list-style-type: none"> • Plaque hanging ceremonies in Bukhara and Tashkent • One-day training in Ahangaran City, Tashkent Province (March 2) • Presentation of "The Best TSJ Practices" competition in Bukhara City • Assess TSJs – participants of the competition in 2006
<i>Formation and Support of Regional TSJ Associations (Task 3)</i>	<ul style="list-style-type: none"> • Provided assistance to Tashkent City Association in designing the plan for 2006 on increasing awareness of unit-owners • Assisted Association of TSJs in Namangan, Samarkand and Kokand in delivering mini-seminars on recommendations on holding annual general meetings of TSJ members 	<ul style="list-style-type: none"> • Prepare and print bulletin on the experiences of TSJ associations • Support consultative activities of Regional Associations of TSJs for their member TSJs • Design competition among Associations of TSJs
<i>Public Awareness Campaign (Task 4)</i>	<ul style="list-style-type: none"> • Held the fifth of a series of meetings with journalists • The "Pravda Vostoka" newspaper has successfully finished its project • Prepared press releases and success stories for the plaque hanging ceremonies in TSJs • Presented results of repair works by TSJs during meetings with TSJ leaders • Announced media contest in major republican newspapers • Agreed with Radio Station "Do'stlik" in organizing radio call-in shows every month 	<ul style="list-style-type: none"> • Hold a meeting of journalists (March 28) • Publish brochure with recommendations on holding general meetings • Participate in Radio Station "Dostlik" call-in shows
<i>Survey on Status of TSJ Reforms (Task 5)</i>	<ul style="list-style-type: none"> • Survey completed 	<ul style="list-style-type: none"> • Conduct additional surveys in single-building TSJs for assessment of the progress in their activities
<i>Promotion of a Market for Housing Services (Task 6)</i>	<ul style="list-style-type: none"> • Prepared informational materials on private management and maintenance companies • Provided four consultations to nascent management companies in Tashkent and Kokand cities • Provided assistance to AED/USAID in reviewing and evaluating proposals of six training providers for the study tour 	<ul style="list-style-type: none"> • Orientation seminar for the founders of management companies (March) • Study tour to one of Eastern European countries (March 20 – 24)
<i>Legal Support to Housing Partnerships (Task 7)</i>	<ul style="list-style-type: none"> • No activities. 	<ul style="list-style-type: none"> • Select attorneys jointly with TSJ associations for training activities



GENDER REPORTING

Kyrgyzstan

GENDER REPORTING		
Events	Number of participants	Number of females
Mass media sessions on land around multi-unit buildings	35	25
TSJ promotion meeting in Kara-Balta	18	17
Basics of Asset Management trainings	44	6
ToT on Strategic Planning	12	8
Legal Relationship Between Utilities and Local-Self Government seminar	33	9
Total	122	52

Tajikistan

GENDER REPORTING		
Events	Number of participants	Number of females
Trainings	110	25
Workshops/meetings in Dangara	225	135
Seminar	42	4
Other	18	3
Total	395	167

Uzbekistan

GENDER REPORTING		
Events	Number of participants	Number of females
TSJ and mahalla relations seminar	40	9
Mini-seminars on holding general meetings for TSJs and presentations of competition "The Best TSJ Practices"	1143	387
Meeting of journalists	27	8
Total	1210	404

MONTHLY TASK ORDER PROGRESS AND COST REPORT FOR MARCH 2006

CENTRAL ASIAN REPUBLICS LOCAL GOVERNMENT INITIATIVE PHASE II

HIGHLIGHTS

Kyrgyzstan

- Oversight and Legal Relationship Between Utilities and Local Governments Training
- Completion of polling of citizen/customer satisfaction in 25 cities

Tajikistan

- The Public Administration Reform Strategy which calls for local self-government reform was signed by the President of the Republic of Tajikistan

Uzbekistan

- Assisted partners to make comments on draft program on TSJ development in anticipation of a resolution of the Cabinet of Ministers
- 71 applications received from TSJs for participation in the new competition "The Best TSJ Practices 2006"
- Seminars for TSJ leaders on bases of TSJ management in Kokand and Samarkand cities

SUCCESS STORY

Public Administration/Local Government Reform Strategy Signed by President of Tajikistan

The Public Administration Reform Strategy was approved by Resolution No. 1713 by the President of the Republic of Tajikistan on 15th of March, 2006. As a result of the efforts of the USAID funded Local Government Initiative II project conducted by the Urban Institute, the concept of local self-government was included in the strategy. The overall Strategy recommends that reform begin simultaneously at the central and local levels.

The strategy is a ten year strategic plan for reform of the public administration system in Tajikistan. It establishes the goals of the reforms and the objectives and tasks. In addition it establishes measures for implementing the strategy in short, medium and long term. The goal for public administration reform set by the strategy is to establish an effective public administration system in Tajikistan which will consist of the central and local state government as well as local self-government. The goal is accompanied by the six objectives. One of these is to form local self-government capable of delivering effective services to the population. In the short and medium term (2006 – 2008) the reforms at local level will focus on building local self-government in villages and towns (Jamoats) and on effective distribution of functions between local self-government and local state government. In the long term (2009 – 2015) the strategy assumes that the extension of the local self-government system to other levels of local government will be considered.

The USAID/Urban Institute LGI II project provided technical support to two Presidential Working Groups over the course of three years. As part of the technical assistance, materials were assembled on the



process of decentralization in other Post Soviet countries. Local government legislation from several post soviet countries was also compiled and Urban Institute consultants provided a framework for reviewing the legislation. Over the course of the three years, five study tours Latvia, Slovakia, Hungary, Albania and Poland were conducted to provide first hand observation of local governments. A major focus was always on local government as a stabilizing influence in governance. Secondly the study tours allowed the Tajik policy makers to observe how services were delivered at the local level and how they were funded. These study tours were a major factor in minimizing the concerns about the ability of local governments to deliver services and on the willingness of citizens to support and pay for local government services.

Another critical factor was simultaneous capacity building at the local governance levels. The capacity building consisted of training, technical assistance and small grants for implementation of the training and technical assistance for local government services. Citizen involvement was a crucial and integral part of the program. This integrated capacity building approach demonstrated that local governments are capable of delivering improved services and are willing to budget and set fees to cover the costs. Public Hearings and neighborhood meetings with citizens on the specific services and issues were held to explain the need to pay for services and to encourage involvement in maintaining services. The project was able to work with the local officials to demonstrate that citizens are willing and able to pay increased fees to support the services when they are involved and the costs and need are clearly and transparently demonstrated to them.

In the last year of work on the Strategy, the Presidential Working Group was established as a full partner sub-group of the National level working group supported by the World Bank. The local government strategy was thus incorporated into the final strategy on the overall Tajikistan Public Administration Reform Strategy. In the process of elaborating the Public Administration Strategy the Urban Institute promoted the concept and principles of local self-government and decentralization. At the beginning of the work on the strategy the PWG did not pay much attention to the issues of local self-government saying that the reforms should focus on the central government. As a result of the Urban Institute's efforts the concept of local self-government was gradually accepted as an important part of the Tajikistan overall governance strategy and the overall scenario of reforms recommends that the reforms will start at the same time at both the central and the local level.

The Tajikistan Public Administration Reform Strategy is a policy guide for the reforms in the public administration system in Tajikistan over the next ten years. The success of the reforms will depend on many factors but the critical factor is the commitment of the government to conduct the recommended reforms. The next step will be to work on the legal framework for local self-government in villages and towns. The Urban Institute will continue its role as an advocate of the local government reforms and will provide the government with necessary technical assistance to define the functions of local government and the financing of these functions. The program will continue working at the same time at the local level to build capacity for more effective, accountable and transparent local government.

KYRGYZSTAN ACTIVITIES/DELIVERABLES

Supporting Policy Change at the National Level (Task 1)

UI developed comments on the Ministry of Finance's draft law on amendments to three laws which would formally introduce the concept of budget withdrawals (negative transfers). The Agency for LSG Affairs provided the draft law and solicited our comments. UI's comments essentially provide justification for rejecting the proposed draft law. Formal implementation of negative transfers, if it is done similarly to the current practice of informal negative transfers, will continue to limit the independence of LSG budgets from local state administrations and will eliminate any incentives for LSGs to improve their own revenue collection. The cumulative effect will be to undermine the implementation of fiscal decentralization.

Asset Management (Task 2A)

UI is reviewing the survey results of current asset management practices in cities throughout Kyrgyzstan. The survey covers four primary areas: 1) inventory and registration of municipal real property, 2) classification according to a suggested methodology, 3) practices in leasing municipal property, and 4) privatization of municipal property and land management. The survey questionnaire was sent to all 25 cities, 18 of which responded. Concurrently, UI is also analyzing financial data associated with municipal property. The source for this data is the Ministry of Finance's 2004 financial data gathered for purposes of the equalization grants. This data demonstrates cities' total budget revenue, revenue from municipal property lease and sale (including municipal land) and revenue from the land tax. The final steps will be a comprehensive review of asset municipal practices and the budget related information and to develop conclusions and recommendations for cities.

An exchange program to Jalal-Abad was conducted March 15-16 to share Jalal-Abad's experience on land management. LSG representatives from Karakol, Kara-Balta and Talas participated in the program in order to acquaint themselves with Jalal-Abad's municipal land management initiative and to take part in Jalal-Abad's land strategy public hearing. Participants included vice-mayors, heads of municipal property departments and chief architectures. The issues reviewed during the exchange program included:

- Inventory of municipal vacant land
- Classification of municipal land
- State registration of municipal property procedures
- Development of a land management strategy

The exchange program included visits to Jalal-Abad City Administration, the City Architectural Department, the Jalal-Abad State Registry and vacant land plots included in the inventory.



Participants of the Exchange Program Examine the Map of Municipal Vacant Land



Jalal-Abad Public Hearing on the Land Management Strategy



Jalal-Abad City conducted a public hearing on March 17 for discussion of the draft land strategy. Approximately 70 people participated in the hearing including deputies of the City Kenesh, local NGOs, mass-media, representatives of local associations and communities, chairmen of quarter committees and other citizens. The major issues covered in the hearing included:

- Presentation of the draft Jalal-Abad Land Strategy
- A review of municipal land
- The results of the municipal vacant land inventory
- City policy regarding municipal land and advantages for citizens
- Land management for 1) municipal vacant land plots; 2) common use land; and 3) land in temporary use, including lease.

The hearing was chaired by the Chairman of the City Kenesh Abdykadyr Mamamdjanov and presentations were made by Jalal-Abad Vice-Mayor Sadyr Aitbaev; Jalal-Abad City Chief Architect, Marat Joroev; Head of Jalal-Abad Gosregistry, Tynarbek Misiraliev; and UI Washington Specialist Olga Kaganova. Participants had the opportunity to make comments on the land management strategy. The document will be finalized in April and will then be sent to the City kenesh for adoption.

UI completes joint work with the Osh City Administration on making an inventory of vacant municipal lands. The inventory submitted by the working group includes 470 land plots of at least 20 m² covering a total area of 46 hectares. The inventory includes the location and the size for each land plot. In addition, for each individual land plot a scheme was developed which will accompany the city's filing for state registration. Each plot was electronically identified on a City map. A formal presentation of these maps to the city will be made in April

The Karakol City Administration completed its inventory of vacant municipal lands. Based on the information received at the regional meeting on asset management practices held last fall, Karakol launched on its own initiative a process of creating an inventory of its land. The city was aided by the NGO Leader, and received financial support from the Soros Foundation. UI also provided technical support and resources for completion of the project. The Karakol land inventory team toured the central zone, inventoried vacant land parcels and mapped them. The inventory submitted by the working group includes 359 land plots of at least 125 m² covering a total area of 793.95 hectares. Next month the Karakol City Administration plans to hold a public hearing for discussion of the land inventory results.

The private manager of the Beach Park Zone (BPZ) in Balykchy withdrew from the concession contract, which he was allowed to do without repercussions in accordance with the contract. According to the manager, the economic and politic situation in the country after the revolution resulted in extremely low profit of the BPZ during the first year of the contract, and the financial forecast for the following years is not promising. He won the contract in November, 2004 before the revolution when their appeared to be more potential. Balykchy City Administration has decided to announce a new competition for selection of a private manager. The concession contract will almost be the same but with decreased investment requirements.

Municipal Utility Enterprises (Task 2B)



Municipal Enterprise Training in Jalal-Abad

UI held two trainings on March 1 (Osh) and March 2 (Jalal-Abad) in cooperation with ARIS, on the legal relationship between utilities and local-self governments. The 53 participants of the trainings included vice-mayors, city kenesh deputies, heads of municipal property departments, and heads of vodokanal and KKP from all Southern cities (except Osh and Batken) including Isfana, Nookat, Sulukta, Uzgen, Kyzyl-Kia, Kara-Suu, Kara-Kul, Kok-Jangak, Mailuu-Suu, Tash-Kumyr, Kerben, Kochkor-Ata and Jalal-Abad. During the training UI discussed issues related to the transfer of property related to provision of water, sewage, city improvements, and garbage removal service from state ownership into municipal

ownership; state registration of immovable objects; legal issues related to communal services provision; rights and responsibilities of local-self government bodies with regard to communal services; and the advantages and disadvantages of providing municipal property to service providers with the right of economic management or use rights. UI then presented a series of documents which can be used to structure the relationship between a city and a municipal service provider including:

- Charters – Used to establish a *municipal* Vodokanal or KKP
- Use Procedures or Use Agreement – Used to govern the use of municipal property by either a municipal entity (Use Procedure) or a State entity (Use Agreement). These documents establish the rights and responsibilities of each party.
- Contract for Services Rendered Between a KKP and a City – Governs the 1 year commercial relationship between a City and a KKP, regardless whether the KKP is municipal, state, JSC, or private, in which the City purchases certain services at an established cost (i.e. street cleaning, park maintenance, street lighting, etc.).
- Sample Reporting Documents (including an Annual Operating Plan, Annual Budget Plan, Quarterly Report on the Execution of the Operating Plan, and Quarterly Budget Execution Report) – Used to report to the local self-government by a service provider using municipal property regardless whether it is municipal, state, JSC, or private

The field work on the customer satisfaction survey has been completed. The questionnaires and summary files in Excel for all 25 cities have been submitted by the NGOs contracted for this purpose. Approximately 10 questionnaires from each city were randomly selected for verification to determine whether they were correctly filled out. In addition, between 5 to 8 respondents were telephoned in each city to confirm that the interviewers actually visited and conducted the interview. UI is drafting a model report for the individual city reports. After discussion and finalization of the format and content of the model report, reports for each city will be drafted. A comprehensive report covering all 25 cities with comparisons will also be prepared.

Financial Management (Task 2C)

The Ministry of Economy and Finance (MoEF) is still collecting data on local budgets for 2005, which were due by February 27, 2006. The lack of full 2005 data is delaying important decisions on shares of shared taxes and the equalization pool. Because of this lack of data, UI has not been able to provide a meaningful analysis on possible options for shares of shared taxes. The same problem is shared by Alexander Dirugin

from the Fiscal Policy Center in Russia, who is contracted by the Ministry of Economy and Finance with support from the World Bank, to develop an equalization formula. He has developed a new equalization model which factors in shared taxes and is somewhat more complicated than the previous model (it allows up to 20 factors such as number of population, mountainous area, age structure, etc in the calculation of equalization grants). The MoEF has indicated that they will probably proceed with this model. However, the model cannot be used until complete data on local budgets for 2005 is collected. Mr. Dirugin's next visit has been postponed until the middle of April in the hope that complete 2005 data will be collected by then and real analysis can be done. The MoEF has not decided which factors to use, but each factor will require the input of a substantial amount of additional information besides data on local budgets and may prolong implementation of the reforms.

UI is working with the Kyrgyz National University to conduct a public hearing on their budget. The initiative was in part from the University and in part from USAID's Myrza Karimov, who had suggested the idea. The Provost of the University is taking the initiative in order to demonstrate transparent budget formation and distribution of budget resources. The Provost also hopes to show the limited budgetary discretion the University has because many of the university budgetary items are highly regulated either by the Ministry of Education or the National Anti-Monopoly Committee. The hearing is tentatively scheduled for April 18. UI will conduct modified trainings for university staff prior to the hearing.

Empowering Locally Elected Councils (Task 2D)



Jalal-Abad Mayor Makes Presentation to Colleagues From Other Cities

The training program for newly-elected city kenesh deputies is ongoing. UI continues to receive requests from cities and is developing a schedule of trainings. The majority of requests were received from cities in the Jalal-Abad oblast. UI plans to combine kenesh deputies from two cities into one group and conduct a series of trainings in Jalal-Abad.

An exchange program of cities' officials to Jalal-Abad took place on March 15-16. The program envisions that local officials apply to UI for funding to travel to other cities to review a particular good practice. Karakol city officials initiated the exchange program to Jalal-Abad to study their good local practice on land management. UI solicited

interest from other cities in joining the proposed program and consequently two other cities, Kara-Balta and Talas, joined the program. In total, 6 officials consisting of vice-mayors, heads of municipal property departments and chief architects visited Jalal-Abad to study their experience with land management and to participate in the public hearing on Jalal-Abad's City Strategy on Land Management. Jalal-Abad city officials made presentations to guests on the following issues:

- Inventory of municipal vacant land
- Classification of municipal land
- State registration procedures for municipal land
- Development the land management strategy

Association of Cities Institutional Development and Support (Task 3A)

The General Assembly of the Association has been postponed again until April. No specific date has yet been selected. UI summarized and assessed the charters of ten municipal associations in different countries whose experience is considered to be the best and which can potentially be applied to the ACKR. The results of the assessment were sent to Mrs. Baibolova, Chairman of the ACKR Board and to Mr. Asanakunov, ACKR Executive Director; and will be presented during the General Assembly.

Regional Housing Associations Institutional Development and Support (Task 3B)

Nash Dom provided assistance to residents of 4 buildings in Bishkek to organize and legally register 4 new TSJs (comprising 97 units). In addition, TSJ facilitators from Nash Dom provided advice and assistance to initiative groups to prepare documents for the registration of 7 additional new TSJs in Bishkek. Nash Dom also participated in 4 TSJs' founding meetings.

Jalal-Abad Regional Housing Association conducted a roundtable on parcels around multi-unit buildings for TSJ leaders and representatives of the City Architect's Department and Gosregister on March 16. The main purpose of the roundtable was to clarify the need for re-identification of boundaries for land parcels around multi-unit residential buildings (known by its Russian acronym PZU) and proper registration of the rights to such parcels.

The status of PZU in Jalal-Abad is unique. In 1999, the City Administration "allocated" land parcels to condominiums without any special governmental order or procedures. On the one hand, such an initiative was quite positive as it helped some TSJs to negotiate with small business within the boundaries to participate in common expenses. On the other hand, the allocation was not done legally correct for the following reasons: 1) boundaries should have been identified for one building in each TSJ, rather than for an entire association with 2-5 buildings; 2) the land rights should have been registered to all owners of premises of a building, not to a TSJ; and 3) the right itself should have been specified as common shared ownership, which was not done. Moreover, even in 2003 the Mayor's office continued to review the boundaries for PZUs (which had already been identified and allocated to condominiums by the city administration's resolution in 1999). For example, new resolutions were issued reducing PZU sizes for 24 TSJs in favor of business.

To improve the situation the Jalal-Abad Housing Association decided to hold the roundtable in order to review PZU related legislation and norms/procedures for PZU boundary identification. By the end of the roundtable, participants concluded that all interested parties (TSJs and involved agencies) should continue to review relevant legislation and procedures in detail. Thereafter, TSJs should request the city to correct or identify boundaries for PZUs for their TSJ and perform other steps necessary to register rights to PZUs according to Kyrgyz legislation. Moreover, all 25 participants, including the Architectural Department and Gosregister specialists, decided to select 2 TSJs to conduct a pilot identification and registration effort in complete compliance with Government Resolution #575, which approved procedures for identification of PZU boundaries.

Nash Dom and Jalal-Abad Regional Housing Association scheduled general meetings for April. According to their cooperation agreements with UI, the Regional Housing Associations should have conducted



general meetings in March to report to membership on activities and finances. Due to the many holidays in March the meetings were postponed until early April. The meetings will include financial reports and elections to boards of the associations.

3 seminars on housing and TSJ issues were conducted in Bishkek. The seminars were organized at the request of Bishkek Kenesh deputies. The first training stemmed from a request of the assistant to Ms. Bailbolova, Chairwoman of the City Kenesh, after she participated in UI's February mass media session on PZU issues. The training was organized on housing and PZU issues for neighborhood leaders in Ms. Baibolova's constituency. The seminar was designed to cover the following issues: (a) rights and obligations of residents towards common property in multi-unit buildings; (b) options for common management in multi-unit buildings; (c) TSJ as an option for common management, and how to form and legally register a TSJ; and (d) PZU: who owns them, how to identify the boundaries and how to register the ownership right. Representatives of 30 domkoms and TOCes participated in the first seminar, which was followed by requests for similar seminars from 2 more members of the Bishkek city kenesh. In total over a 100 people participated in the 3 seminars.

2 trainings on TSJs as an Educated Consumer were delivered to leaders of TSJs in Jalal-Abad and Osh by trainers from the correspondent regional associations. 20 TSJ leaders participated in the Jalal-Abad training and 22 in Osh. Nash Dom provided a schedule for 6 similar trainings in the North of Kyrgyzstan to cover Bishkek, Talas, Naryn, Tokmok and Naryn through July 2006.

Academy of Management Institutional Development and Support (Task 3C)

There were no trainings conducted in March. The next round of trainings for LSG officials is scheduled to begin in April.

Standby Legal Resources (Task 4)

UI undertook a formal review of the Legal Resources Program (LRP) after four months in operation. During the four months the program was operational, UI received 11 applications from 6 cities (Jalal-Abad-4, Naryn-3, and 1 each from Tash-Kumyr, Karakul, Kara-Suu and Nookat), with five of those applications coming in March (suggesting that cities were becoming increasingly familiar with the program). Of the 11 applications, UI approved a total of 3; one each from Kara-Suu, Jalal-Abad and Naryn.

From the 11 applications, four pertained to objects that were or were not transferred into municipal ownership of the city; two applications pertained to city kenesh competence and registration of local normative legal acts with territorial bodies of Justice; one application pertained to development of legal documents (charters and service agreements for Vodokanals and KKP's); and two applications pertained to abrogation by the City Administration of its own previous decisions.

Of the three approved applications, Kara-Suu's application regarding assignment of the market to the Kara-Suu City territorial unit was completed in March. The lawyer researched all pertinent information and developed a letter to the President of the Kyrgyz Republic, Parliament and Government with a request to assign the territory of the Kara-Suu rayon market to the administrative-territorial unit of Kara-Suu City. Jalal-

Abad's approved application to appeal the right of private ownership over a piece of municipal property is still in process. The approved application in Naryn was approved just in March. Naryn City has requested assistance to dispute the sale of an object of municipal property. The object was transferred into municipal ownership of Naryn City in 1998 by Government Resolution, but it was then sold by a decision of the Oblast State Administration to an individual. The City will receive assistance to file a court action to have this decision declared invalid.

All 25 cities were asked to fill out a questionnaire on the legal resources program during the first 4 months of operation; 20 of which responded. Of the 20, 12 cities (60%) contacted one of the program lawyers. 9 cities indicated that they experienced problems when contacting the lawyers and only 3 cities responded that they had no problems. The major problems encountered were lawyers' lack of time, lawyers' inability to travel to their cities, reluctance on the part of the lawyers to work with them, and the lawyers' failure to call back or come to their cities.

The 8 cities that never contacted one of the lawyers explained that they have their own lawyer on staff (2 cities), they did not know about program (2 cities), they were not interested in the program because there is no certified lawyer in their city and because of the necessity to co-finance the costs (1 city), they have a new City Head (1 city) and 2 cities did not provide any reasons.

Overall, cities do not have a problem with the co-financing requirement. Moreover, 18 of the 20 cities indicated that they would like to use the resources of the legal resources program in the future. The issues that these cities plan to seek assistance on include land issues, municipal property issues, municipal enterprises issues, TOCes, and civil, tax, and labor issues. Two cities proposed that an LRP lawyer should be located in their cities and at least 6 cities wish that lawyers would have more time for them.

On March 31 UI held a meeting with all certified lawyers excluding Talas and Batken. During this meeting, the results of the four month period were discussed including the lawyers' experience with cities within the LRP framework, the most frequent questions that had arisen, and the administrative and legal problems that the lawyers encountered while working with the cities. The lawyers commented that there were difficulties with formalizing verbal and short written consultations and correctly defining the purposes and desired results in three-party LRP Contracts.

Based on this meeting and the survey results, UI decided to eliminate the need for a three-party agreement in cases of small consultations. The lawyer will need to provide his/her written conclusion, with confirmation of acceptance by the city administration or kenesh, for payment. This should facilitate closer contacts and usage between the lawyers and cities, leading for more significant usage of the resources. It is anticipated that in following up on the consultation contracts for more significant services will be concluded.

One significant problem in the LRP is the lack of a certified lawyer in either Issyk-Kul Oblast or Osh City. UI plans to conduct an additional training for the Academy of Management and would invite lawyers from these locations in order to increase coverage.



TAJIKISTAN ACTIVITIES/DELIVERABLES

Policy Dialogue and Supporting Policy Change (Task 1)

The Public Administration Reform Strategy which calls for local self-government reform was signed by the President of the Republic of Tajikistan. The strategy for Public Administration Reform, which contains the local government strategy, was signed by the President on March 15th after several months of consultation on the document by the key ministries. Work on the strategy began in the first year of the project, and its development, was supported by the technical assistance of the Urban Institute Tajikistan. The signed strategy creates the framework for the development of local self-government in Tajikistan. The goal of the ten year plan is reform at the central and local government levels, is to establish a new effective public administration system in Tajikistan with enhanced capacity for policy development and implementation as well as local self-government capable of delivering basic public services to the population. The strategy recommends starting the local self-government reform at Jamoat level in 2007 – 2008 and based on the jamoat experience consider extension of local self-government to other levels of local government. The Urban Institute Tajikistan has started work on the analysis of the current legal framework of Jamoat functions and operations. The analysis will produce a set of recommendations which will be used as a basis for starting work on the new law on local self-government in Jamoats.

Cooperation with the Commercial Law Project produces draft law on administrative procedures that will cover Jamoats. The draft law was developed by the project on commercial law reform. It deals with the issues of rules and procedures of all administrative actions taken by the central and local governments in Tajikistan. The first draft of the law only applied to the central and local state governments. Because the law did not include jamoats, it would not have applied to the administrative actions of Jamoats. Information from and cooperation with the Urban Institute, raised the issue of jamoats, and they are now included in this important piece of legislation.



Determining per capita solid waste output in
KurganTube City

Technical Assistance and Training to Cities/Towns (Task 2)

Support for Financial Plans Based on Actual Costs.

Communal Services Enterprises of Kurgan-Tube, Yavan, Kolkhozabad and Jami continue the process of gathering data on daily solid waste removal and effective waste collection equipment. Edward Emerson, UI Consultant, worked with the communal services staffs of the four cities to gather information on solid waste generation rates at the private houses. They measured daily waste generated at waste collection points, gathered information on number of houses and individuals using each collection point. Similar analysis was completed at the multi-family housing sector of Khujand city. Daily waste collections were monitored at 20 waste points located nearby multiunit buildings. The analysis will help determine the amount of actual household waste generated by citizens and other entities dumping at these sites. The problem of waste sites that serve both households and businesses compounds the problem of fee calculation because current legislation provides for different methods of fee calculation for citizens and businesses. The information will be used to identify actual costs for operations, equipment needs, and bins needed to

remove the solid waste and to set new fees for services. Based on the results, computerized spreadsheets will be developed and the training manual on full cost accounting for services will be amended.

Improved Financial Planning to Build on Prior Work in Budgeting, Costing and Fee Setting.

Eight project cities worked with UI trainers to develop five-year medium term budget forecasts. Working with UI trainers, Tavildara staff developed a five-year budget forecast for the Tavildara District. Individual characteristics were scrutinized for each city for the medium-term budget forecast. Two methods of forecasting revenues were used and compared. The information and budget data from these 8 cities and districts will be used to develop the 2007 budgets and to develop Capital Investment Plans for these cities.

Financial assessment on Khujand Truck Fleet Enterprise was held in early February. A management and financial review of the waste collection system of Khojend was conducted by UI staff, Khojend solid waste collection managers and UI consultant George Murray. Recommendations to improve the overall management of the Khujand solid waste collection system were presented to the Mayor of Khujand and members of his staff. The recommendations engendered extensive discussion on the use of the city budget resources, effective usage of equipment and ways to improve the financial system and collection methods. The UI recommendations and suggestions were supported by the Mayor and City management staff were designated to join the project. Even before signing the Letter of Agreement the Mayor assigned relevant departments to follow the UI recommendations. An immediate result was that based on the UI recommendations, the Mayor ordered the write off of the out-dated equipment and machinery. This results in an immediate financial savings to the enterprise because all equipment –whether or not it is operable is taxed and must be licensed. UI believes that this is the first time that this process has been used to save costs in Tajik communal services. The Mayor also issued a resolution making it obligatory for all customers of the solid waste collection enterprise, to sign agreements for service. This resolution includes all enterprises, institutions and citizens. The Letter of agreement between UI and the City specifying UI additional assistance will be signed early April.



Training on Costs and Fees in Vose

New fees to be requested in Vose District in preparation for World Bank Grant for Equipment. A workshop on Full Cost Accounting and Fee Setting Workshop was conducted in Vose District. During the workshop, the participants realized that the current fees can not cover the expenses of the operation and maintenance of new equipment to be granted by the World Bank under the Infrastructure Development Project. As a result of the training the service enterprises prepared information necessary to request increases in fees for services. Council members, local khukumat administration staff, khukumat department heads, Communal Services Enterprise employees, financial specialists and Vodokanal enterprise staff were introduced to modern techniques of full cost accounting for services, and allocation of fees among service consumers. Thirty people participated.



The Mayor of Vose opens the seminar

Modern Budgeting Workshops were conducted in Kanibadam & Istaravshan cities and in Vose District. The trainees explored the differences between the existing budgeting process in Tajikistan and the proposed modern budgeting process. The particular feature of these workshops is that financial department staff, local council members and



service enterprise directors from the respective cities had an opportunity to discuss how to prepare program and budget requests for the upcoming 2007 financial year and identified their role and responsibilities in the budget process. Ways to improve current budgeting process were also discussed. Seventy eight local government representatives received training. They represented Mayors and their deputies, Council members, financial and tax department specialists, service delivery enterprise staff, education, health and other departments involved in drafting budgets.

Public Hearing Workshop was held in Vahdat City. Twenty five people were trained on how to conduct public hearings. Council members, jamoat leaders, the Deputy Chairman, khukumat administration staff, the communal services enterprise head, and financial department specialists, were in attendance. The practical session on holding a public hearing was of great interest for the participants. There was a great deal of interest in the new ways of involving citizens into their work. The group requested additional training and technical assistance on citizen involvement techniques.



Deputy Chairman awards certificates

Deepened Budget Planning Workshop was held in Istaravshan City. During the workshop the participants were introduced to budget management methods in countries with developed local government systems. The workshop then focused on budget functions, various budget classification types, multi-year financial forecasting and planning. The participants and UI trainers analyzed the possibilities for application of multi-year financial planning tools in drafting city budgets for the period 2007 through 2009. The trainees were City Council members, deputy chairmen of the city, specialists from financial departments, staff from the budget institutions, communal service enterprises. A total of 25 participants attended.

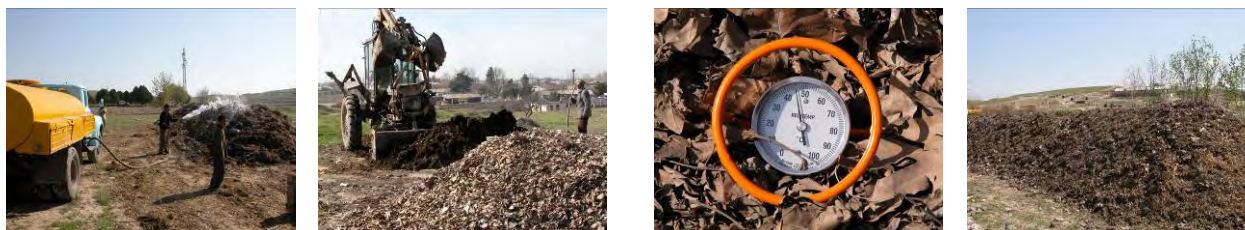
Develop a Billing and Collection System

An assessment of current billing and collection systems was completed in Yavan, Kolkhozobod, Jami and Kurgantube cities. An assessment report will be prepared and presented to the mayors of these cities in April.

Complete the Management Demonstration Programs on Improving Waste Management Methods

Kolkhozabad Composting Project

The composting project in Kolkhozabad is proceeding on schedule. For the reporting period, the first pile was turned and its temperature checked by the Communal Services workers with technical assistance of UI International Consultant George Murray and UI local staff. The second pile was watered and turned with the use of one truck of water and the loader. The next turning of both piles will be done in mid-April.



Compost piles watering, turning, temperature measurement and general view.



New bins in KurganTube City

New bins in Jami District

KurganTube, Yavan Cities and Jami proceed unaided to implement additional projects on solid waste



Tender commission meeting

management. Based on planning developed with UI, KurganTube City has, on its own, continued to make improvements in solid waste collection and removal systems. In January-February, the City Khukumat ordered 70 waste bins from the city budget

resources. Currently thirty new bins have been delivered and placed at waste collection points of the city. In March Jami District khukumat purchased 15 metal bins from city budget resources. The bins were placed in the Kuibyshev town streets. This activity will allow elimination of unauthorized waste collection points in the town.

During March, Shuhrat Rozykov, UI Project Coordinator, met with the new Director of the Communal Services Enterprise of Yavan City. The focus of the meeting was discussion on continued and new partnerships with UI. Mr. Tabarov shared his plans regarding ways to improve the enterprise. He plans to purchase additional 20 waste bins and put them in the unequipped waste collection points.

SMALL GRANTS FOR IMPROVEMENTS AND COMPETITIVE PROCUREMENT TRAINING

Jami new landfill project

The Hukumat of Jami district with UI technical support conducted a tender for the construction of an access road to Jami's new landfill. The conditions of open bidding were announced via local newspaper. The meeting of the tender commission was held to select the contractor to implement construction work. Based on the offered quotes, the tender commission selected a private entrepreneur Vohidov E. as the contractor to implement the construction work. The work on construction of the access road will be started in early April with grant funding from the UI project. Members of the tender commission: Rajabov M., Deputy



chairman of Jami district (chairman), Qodirov M, Deputy chief architect, Habibulloev V, head of communal services enterprise, Inomov B. and Eraj S. Akrami from UI.

Solid waste collection and removal with individual bins in Dangara and citizens involvement

In accordance with the agreement signed between UI and Dangara district UI trainers and staff provided technical assistance to Dangara to conduct its "Clean streets" project. With UI support, Dangara conducted public meetings with more than 650 Dangara residents and distributed a total of 450 individual waste bins for the citizens of three streets. During the public meetings the district distributed information materials on the rules for users. The Initiative group members, the town chairman and head of communal services distributed bins and explained to the people the importance of following the rules of solid waste collection with individual bins. Using this opportunity, Dangara communal services enterprise signed agreements with each household for the provision of waste collection services. In their turn, the representatives of each house paid 3 somonis to support communal services in cleaning old dump sites located on their streets. The total amount collected was 1008 somonis (approximately \$315 USD) This was a demonstrated commitment for paying monthly fees for services.

People sign agreements with
Communal Services Enterprise



Meetings with residents Women and children receive new bins and information on solid waste collection with individual bins



Technical Assistance and Training to Jamoats (Task 3)

UI staff and consultants worked with Tavildara District including the jamoats Tavildara and Childara. During the visit the grant projects were finalized. The Project on Solid Waste Management Improvement for Tavildara Jamoat will include a management review of the collection system and distribution of household bins to eliminate garbage in the drainage canals and on the streets between pick up periods. For Childara, an engineer will assess the best way to rehabilitate the water system. A grant for improvement will be made and technical assistance to the jamoat to prepare a management plan, fee methodology to cover operation and maintenance. Technical assistance will be provided to the jamoat leadership to establish a citizen's advisory committee to work with the jamoat on establishing a fee and collection method. The projects are planned to be implemented in the upcoming two months.

City Computer Resource Centers and Training Facilities (Task 4)

IT facilities were provided to the Communal Services Enterprises of Kanibadam and Istaravshan cities and Vodokanal Enterprise of Kanibadam. The equipment will help to improve billing and payment systems, to develop financial plans and set fees.

Study on Civil Registry Information (Task 5)

The task is completed.

Expanded Training for Locally Elected and Appointed Officials (Task 6)

Elected Council members participated in workshops on budgeting, public hearings and cost and fees training in the districts of Vose, Tavildara, Kanivadam, Istaravshan, and Vahdat.

Assessment of Options to Link Potable Water User Operations to Local Government (Task 7)

For Childara jamoat, an engineer will assess the best way to rehabilitate the water system. A grant for improvement will be made and technical assistance to the jamoat to prepare a management plan, fee methodology to cover operation and maintenance. Technical assistance will be provided to the jamoat leadership to establish a citizen's advisory committee to work with the jamoat on establishing a fee and collection method. The projects are planned to be implemented in the upcoming two months.

Technical Assistance to Review the Opportunities for Housing Maintenance Associations (Task 8)

During March, significant work was done to create an official working group to draft the law on Maintenance of Multiunit Buildings and Housing Associations. A number of meetings were held with SUE "Hojagii Manziluyu Kommunalii" and the Ministry of Economy (MOE) to discuss the process and to coordinate technical assistance by UI. The MOE has been assigned by the Tajik Government to assess the current situation and make recommendations regarding the necessity of creating a working group to draft a law on housing associations. Ahmad Khairullaev, UI staff participated in the MOE meetings devoted to this issue. It was agreed that the MOE would forward an official letter regarding the necessity to create a working group and nominations of working group members. The list of nominations was previously agreed with the SUE and the UI. The MOE letter will be sent to the President's Office.

A working meeting for future law drafters is scheduled for April 7-8. The meeting agenda and training materials were developed with the support of Irina Gentsler, UI/UZ Country Director and Carol Rabenhorst of the Urban Institute in Washington.

Urban Institute staff met with the Khojend based NGO "Union of Consumers". This NGO is involved in developing housing associations in Khujand City. The focus of the meeting was the UI cooperation with the UC within CIDA funded project and the Urban Institute Tajikistan trends toward housing associations development. It was agreed that the Urban Institute Tajikistan and the Union of Consumers will inform each other about any progress in housing associations development and support and unify efforts toward moving forward housing reform.

UZBEKISTAN ACTIVITIES/DELIVERABLES

National Policy Development (Task 1)



Working group deliberates on the draft CoM resolution on TSJ development



UI jointly with local partners, which are Republican Training Center “*Uzkommunoquvtashkilotchi*” and Tashkent City Association of TSJs, prepared recommendations to the Program of measures on development of TSJs and forming of the market of housing services. The program is expected to be accepted by the Government of Uzbekistan. Both partners were included in working group on preparing corresponding draft resolution of Cabinet of Ministers (CoM). UI’s recommendations focused on the necessity of the awareness campaign on the rights and obligations of unit-owners and on the status of TSJs as self-governed institutions of unit-owners.

Sample agreement between TSJs and owners of nonresidential units and draft model of TSJ Bylaws has been prepared in accordance with the approved new Law on TSJs.

UI has also prepared draft regulations on the Fund of repair and reconstruction of multiunit buildings and putting into practice energy saving technologies, where new approaches of state support for TSJs has been reflected – transition from providing funds from the state budget to the privileged credit providing system and municipal grants.



Formation of Resident-Controlled Housing Partnerships (Task 2)

UI delivered a two and half-day seminar “TSJ: Bases of Management” for TSJ leaders in Samarkand on March 9-11. Similar training was also delivered in Kokand City on March 23-25. Both trainings were organized with the support of TSJ Associations. 66 TSJ leaders participated in these trainings.



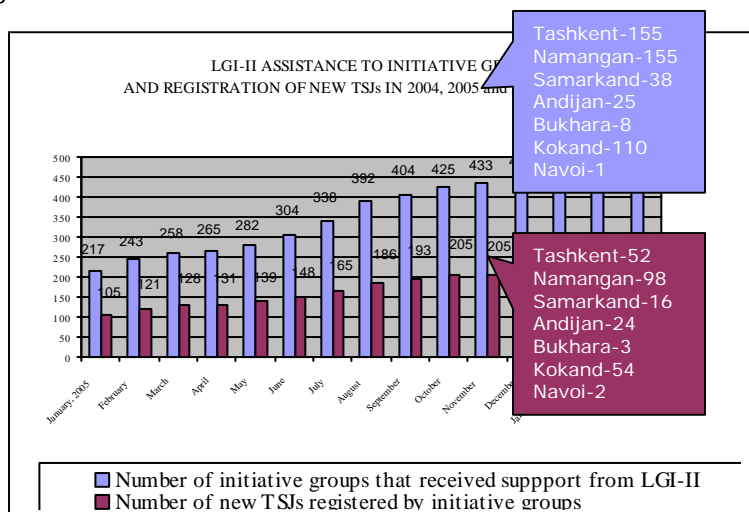
TSJ leaders in UI trainings were eager to learn new things for them

UI renewed a one-day seminar for TSJ leaders on the topic “TSJs: Unit-owners’ Organization for Common Property Maintenance”. On March 2, by the request of the city hokimiyat this seminar was conducted in Ahangaran City (Tashkent Province), in which 47 TSJ leaders participated.

Consultations to the initiative groups and TSJ leaders are being given on an ongoing basis.

In March, LGI-II provided assistance to 17 new initiative groups and 12 groups officially registered their TSJs (*see chart*).

In March, UI held plaque hanging ceremonies in TSJs “Nodirabegim” and “Barno Bobo” in Bukhara City. Success stories of both TSJs were disseminated during ceremonies among residents and mass media representatives.



UI announced a new competition “The Best TSJ Experiences 2006” during a presentation of the best TSJ practices, winners of the previous competition, and the results of repair works implemented by them in 2005 under UI/USAID funding in Bukhara City on March 3. This was the last presentation after being held in each district in Tashkent City and in all pilot sites with the support of hokimiyats and Associations of TSJs.



Announcement of the competition in Bukhara were attended by many TSJ leaders

UI has received 71 applications from all pilot sites for participation in the competition. 8 TSJs applied from Tashkent, 12 from Andijan, 27 from Namangan, 11 from Fergana Province, 5 from Samarkand, 4 from Bukhara and 4 from Navoi.

After acceptance of applications UI/Tashkent has started conducting assessment of TSJs on the ground.

UI is assisting the Tashkent City Hokimiyat and the Tashkent City Association of TSJs to prepare guidelines of the “Best TSJ” competition to be conducted by the local Hokimiyat among capital city’s TSJs. The envisaged prize fund of the competition is 400 million Uzbek soum. Similar competition was held by the Namangan City Hokimiyat and already 18 winners were announced on March 29. The total prize fund was 25 million Uzbek soum and winners were granted certificates with the right for a financial support from 500 thousand to 2.5 million Uzbek soum.

Formation and Support of Regional TSJ Associations (Task 3)

All associations of TSJs in pilot sites received informational materials on management companies.

UI provided technical assistance to the Tashkent and Kokand Associations of TSJs. Tashkent City Association of TSJs received flip board for training activities and Kokand City Association of TSJs received a personal computer and a flip board.

UI provided informational, methodological assistance and consultations to the representatives of Nukus City Association of TSJs.

Public Awareness Campaign (Task 4)

On 28 March, UI held the sixth in a series of regular meetings with journalists from pilot sites and other locations. The meeting participants discussed the new UI competition “The Best TSJ Experiences” and the selection process. The list of competition participants was disseminated among journalists so that they can visit these TSJs and write stories about them.

UI/Tashkent Country Director took part in a radio program of the Radio Station “*Do’sstlik*” within the framework of an agreement for participation of UI experts in radio call-in shows every month. The main topic of the program was differences in the new approved Law on TSJs from the existing law and residents asked mainly about how they can control funds spent by TSJ in the interests of their building.

Survey on Status of TSJ Reforms (Task 5)



UI reviewed a questionnaire form used in the survey in the spring 2005 for conducting the follow-up survey of apartment owners in single-building TSJs with the aim to evaluate the progress of TSJ performance and resident satisfaction. 47 single-building TSJs in pilot sites are expected to be surveyed.

UI started conducting survey among TSJs that applied to the competition "The Best TSJ Practices 2006". The survey is being conducted among ordinary TSJ members. In March, the survey has been conducted in Tashkent, Navoi and Samarkand. UI/Tashkent will finish the survey in April.

Promotion of a Market for Housing Services (Task 6)

UI reviewed informational materials for the training for TSJ leaders on the topic "How to Select Contracting Organizations through Tender".

At the same time, UI has prepared draft recommendations on contractor selecting process, which will be discussed with local partners and then submitted by them for approval to the Agency "Uzkommunhizmat".

UI assisted AED to collect necessary documents for visa application from participants for the study tour to Slovakia. All participants were notified about the dates of the study tour, which are April 24-28, 2006.

Legal Support for Housing Partnerships (Task 7)

UI has continued the work on development of the seminar for lawyers of Associations of TSJs on the topic "Legal Regulation of TSJ Activities and their Associations". Partner associations of TSJs received invitation letters with a call for recommending participants for the training.

UI acquired software, which contains Uzbekistan legislations, for associations of TSJs in pilot sites with the aim to support their consultative activities.

COUNTRY STAFF TRAVEL CHARTS

Kyrgyzstan

Employee	Travel in Past Month	Expected Upcoming Travel
Undeland (CoP)	On leave 2/26-3/12, Balykchy 3/15,	Balykchy, Jalal-Abad, Osh
McLellan (Resident Advisor)	Osh/Jalal-Abad 3/1-3, Kerben 3/14-15, Karakul 3/16, Kara-Balta 3/23, Kant 3/30	Kant, On leave 4/27-5/7, Jalal-Abad, Kochkor-Ata, Kok-Jongak, Karakol
Kaganova (TDY)	In-country 3/15-31, Jalal-Abad 3/16-18, Balykchi 3/15, Kara Balta 3/22	
Abdykalykov (Municipal Finance)		Mailuu-Suu, Jalal-Abad, Kochkor-Ata, Kok-Jongak, Karakol
Akmatov (Land Specialist)	Osh 3/8-16, Jalal-Abad 3/16-18, Osh/Jalal-Abad 3/31	Osh, Jalal-Abad
Asibaliev (Municipal Finance)		Kara-Balta
Bektenova (Executive Officer)		Osh
Gradwal (Housing/Utilities)		Jalal-Abad
Ismailov (Legal Specialist)	Balykchy 3/15	Balykchy

Mambetova (Legal Specialist)	Osh/Jalal-Abad 3/1-3, Kerben 3/14-15, Karakul 3/16, Kant 3/30	Kant, Mailuu-Suu, Jalal-Abad, Kochkor-Ata, Kok-Jongak, Karakol
Narusbaeva (Municipal Prop)	Balykchy 3/2, 3/15, Jalal-Abad 3/16-17, Kara-Balta 3/23	Kara-Balta, Jalal-Abad, Balykchy, KaraKol
Roman (IT Specialist)	Kant/Balykchy 3/28	Balykchy

Tajikistan

Employee	Travel in Past Month	Expected Upcoming Travel
Davis (Country Director)	Khojend, Tavildara,	Istaravshan, Khojend, Kanivadam
Szymanowicz (RA)	Na	na
Nurmatova (Legal Expert)	Na	na
Babaeva (Decentralization)	Na	na
Khairulloev (Utilities, Training)	Khujand, KurganTube, Yavan	Khujand
Shomakhmadova (Citizens Involvement & Grants)	Khujand	Khujand, Jami, Yavan
Akrami (Assistant Citizen Involvement & Grants)	Istaravshan, Kanibadam, Khujand, Tavildara, KurganTube, Dangara	Dangara, Jami, Kholkhozabad
Nekfar (Project Manager)	KurganTube	
Inamov (Senior Manager)	Istaravshan, Kanibadam, Khujand, Dangara, Jami	Tavildara, Khorog, K-Tube, Dangara, Khujand
Shuhrat (Training Supervisor)	Istaravshan, Kanibadam, Vose, Yavan, Kulob, Tavildara	Tavildara
Gulru (Senior Trainingt)	Vose, Vahdat	KurganTube

Uzbekistan

Employee	Travel in Past Month	Expected Upcoming Travel
Gentsler (Country Director)	Bukhara 2/28-3/1, Ahangaran 3/2, Kokand 3/25	Tajikistan 4/5-10, 27-29, Namangan, Kokand 4/19-21
Alieva (Housing)	Samarkand 3/31-4/2	Namangan, Andijan, Kokand, Fergana 4/5-12
Ortikova (Grants)	Bukhara 2/28-3/1, Navoi 3/29-30, Samarkand 3/30-4/2	Samarkand 4/1-2, Andijan 4/5-8, Namangan 4/9-13, Kokand 4/13-15, Fergana 4/16, Bukhara 4/19-21
Pashkova (Translator/Trainings)	Samarkand 3/9-12, Kokand 3/22-25, On leave 3/29-4/10	Namangan, Kokand 4/19-21
Solovei (TSJ Associations)	Ahangaran 3/2, Samarkand 3/9-12, Kokand 3/22-25, Navoi 3/29-30, Samarkand 3/30-4/2	Andijan 4/5-8, Namangan 4/9-13, Kokand 4/13-15, Fergana 4/16, Bukhara 4/19-20
Pardaev (Communal and Housing Services Specialist)	Ahangaran 3/2, Namangan 3/29	

NOTE: TRAVEL INCLUDED IN THE TABLE MAY INCLUDE TRAVEL FUNDED THROUGH A DIFFERENT CONTRACT (E.G. ARIS OR CONFLICT MITIGATION IN KYRGYZSTAN OR CONFLICT MITIGATION IN TAJIKISTAN), HOWEVER, IT REFLECTS A UI/LGI II PROJECT PRESENCE AND IN MOST CASES LGI II PROJECT ISSUES ARE DISCUSSED WITH COUNTERPARTS IN THE FIELD.



PROGRAMMATIC AND OPERATIONAL ISSUES

Kyrgyzstan

The Agency for Local Self Government Affairs seems to want to control municipal associations while exhibiting little capacity for promoting local self-government reforms. UI had hopes that the Agency would fill the void in terms of advocating for local self-government left by LSG Minister Omuraliev's departure from the political arena. In the event, the Agency appears to have hired staff with little understanding or skills related to the issues facing local government. Moreover, it has been consumed by a process of creating rayon keneshes, which unto itself was poorly conceived and in any case is a formal issue with little bearing on local self-government. At these meetings the Agency is promoting the formation of a new municipal association, expressly stating that the current associations of villages and cities are obsolete. UI has helped the associations fashion a response to this effort and is working with USAID to come up with a statement from the donor community.

Bishkek continues to delay cooperation on land inventory. Although the kenesh voted to sign a statement of cooperation with LGI II to conduct the land inventory, the mayor's office and the city architecture department do not want to follow through with cooperation. UI has met with the Kenesh chairperson and the 1st Deputy Mayor to press upon them the timing sensitivities, setting a deadline for April 15 to begin work. If there remains to cooperation on this, UI will propose to AID to conduct the work in 2 smaller cities (there have been requests from several cities for assistance on the land inventory in any case).

The Mayor of Jalal-Abad, Ilias Aisariev, was forced to resign on March 31. This is unfortunate for the project as Mr. Aisariev was a close partner, enabling us to work closely with the City Administration on a number of different initiatives, not least of which was asset management. Prior to Mr. Aisariev, our work with Jalal-Abad was impeded due to a strained relationship with the Mayor at the time. We hope that the incoming Mayor, Dushen Mamasaliev, will continue to closely collaborate with LGI II and will follow through with on-going efforts.

There are two minor complications with the Kara-Balta park management contract. Firstly, the individual that the KKP had proposed for manager of the park, Mr. Constantine Yankin, who was an integral part of the winning proposal as required staff, still has not filled the position. According to the KKP Director, there are some problems with Mr. Yankin leaving his current job. The KKP has decided that it will delay seeking a new candidate for a month or two in the hopes that Mr. Yankin can still fill the position. However, this means that there is no one working full-time on park management, and instead these tasks are being performed by a several different KKP employees as time allows. Secondly, the contract called for the first payment to be made by the City on or before the 15th day of the first month of the first quarter. However, the contract is unclear if this is a calendar quarter or a quarter based on the date when the contract was signed (February 8th). Based on a calendar quarter, the first payment should be made on April 15th, whereas based on the signature date, the first payment should have been made on February 23rd. The KKP Director has raised this issue with the City Administration, and is hopeful that the City will pay by April 15th, although it does mean that the KKP has been working for an extended period of time without payment.

The month concluded with yet more political tension. Another large demonstration on March 31 on the central square in protest of the Central Election Commission's decision not to allow Rysbek Akmatbaev (a mafia leader and brother to the MP who was assassinated last fall) to run for Parliament in the April 9th by-election for the Balykchy seat which became vacant upon his brother's death. By the afternoon, approximately 2,000 protestors and 1,000-1,500 militia were present. The demonstration dispersed and, after several court decisions, Akmatbaev was reinstated as a candidate.

Tajikistan

Basic operation of the project continued with all of the smoothness that can be mustered. A major shift in participation seems to be occurring at workshops. There is significantly increased participation of Council members in the workshops. There is more interaction among these council members and the staff than we have previously seen. We see this as a heartening indication of interest.

Uzbekistan

The new Law on Housing Associations (TSJs), which was approved by the Senate of Oliy Majlis (Parliament) at the 5th plenary session on February 24, still has not been signed by the President, Islam Karimov. UI is waiting for it to be signed after which will change contents of some informational and training materials and publish them for a wide dissemination.

Irina Gentsler, UI/Tashkent Country Director, still has not received new accreditation card. All necessary documents were submitted to the Ministry of Justice for more than two months despite the fact that the official period for consideration is one month.

UI hired Timur Narkuziev as a legal specialist to work on legal support to the housing associations.



COUNTRY TASK CHARTS

Kyrgyzstan

ACTIVITY	RESULTS IN MARCH 2006	UPCOMING ACTIVITIES (next 2 months)
<i>Supporting Policy Change at the National Level (Task 1)</i>	<ul style="list-style-type: none"> Comments provided to LSG Agency on the Ministry of Economy and Finance's proposal to reinstitute negative transfers 	<ul style="list-style-type: none"> Amendments to the LSA/LSG revised and submitted again to the Government (April) Work on implementation of the fiscal decen. reforms (on-going) Seminar for MPs on decentralization (April 15-16)
<i>Asset Management (Task 2A)</i>	<ul style="list-style-type: none"> Survey results on current asset management practices in all cities in Kyrgyzstan collected Exchange program to Jalal-Abad on land management Jalal-Abad holds public hearing on the draft land strategy Inventory of vacant municipal lands completed in Osh and Karakol Balykchy private manager of the Beach Park Zone pulls out 	<ul style="list-style-type: none"> Land strategy in Jalal-Abad, Karakol, and Osh completed Asset management trainings for city councils (on-going) Survey of the current asset management practices in all cities in Kyrgyzstan completed (April)
<i>Municipal Utility Enterprises (Task 2B)</i>	<ul style="list-style-type: none"> Field work in 25 cities on customer satisfaction survey is completed Two seminars on Legal Relationship Between Utilities and Local-Self Governments conducted in Osh and Jalal-Abad 	<ul style="list-style-type: none"> Implementation of the billing software in Ecolog and Tokmok Vodokanal completed (April-May) Individual city reports and comprehensive report completed on the Consumer Satisfaction survey (April) Training materials developed for kenesh deputies on municipal enterprises (April-May)
<i>Financial Management (Task 2C)</i>	<ul style="list-style-type: none"> 2005 local budget data is still being collected The Kyrgyz National University requests assistance in holding a PBH, the budget-in-brief documents are being developed 	<ul style="list-style-type: none"> Strategy implementation monitoring in Jalal-Abad and Uzgen (April) Karakol City Administration submit city strategy monitoring results to the Kenesh for approval (April) Kyrgyz National University holds PBH (April 17) Assistance to the MoEF in creating LSG budgets database (April)
<i>Empowering Locally Elected Councils (Task 2D)</i>	<ul style="list-style-type: none"> Exchange program on land management in Jalal-Abad conducted 	<ul style="list-style-type: none"> Training for councils (April-May)
<i>Association of Cities Institutional Development and Support (Task 3A)</i>	<ul style="list-style-type: none"> Assessment on municipal associations submitted to ACKR 	<ul style="list-style-type: none"> ACKR's General Assembly (April)

<i>Regional Housing Associations Institutional Development and Support (Task 3B)</i>	<ul style="list-style-type: none"> • 4 new TSJs registered in Bishkek • 3 seminars on housing and PZU issues delivered to Bishkek domkoms and TOCs • Jalal-Abad Housing Assoc. holds roundtable on PZU issues • 2 TSJs as an Educated Consumer trainings delivered in Osh and Jalal-Abad 	<ul style="list-style-type: none"> • Identification of land boundaries (on-going) • TSJ-educated client trainings (on-going) • Nash Dom and Jalal-Abad Regional Associations' general meetings (April)
<i>Academy of Management Institutional Development and Support (Task 3C)</i>	<ul style="list-style-type: none"> • No training in March 	<ul style="list-style-type: none"> • Involvement of Academy staff in LGI II training (on-going)
<i>Standby Legal Resources (Task 4)</i>	<ul style="list-style-type: none"> • Survey conducted of city administration's experience with the legal resources program • Meeting with certified LRP lawyers were held in order to review program and improve it 	<ul style="list-style-type: none"> • Modification of the program based on the survey and the meeting with lawyers (April) • Review of applications (on-going)

Tajikistan

TASK	RESULTS IN REPORTED MONTH	UPCOMING ACTIVITIES (next 2 months)
<i>Policy Dialogue and Supporting Policy Change (Task 1)</i>	<ul style="list-style-type: none"> • The Public Administration Reform Strategy was signed by the President 	<ul style="list-style-type: none"> • Finalize the study of issues in the current legal framework of LSG in Tajikistan (organization, functions, finances, property) • Finalize and conduct a national seminar on developing the legal framework for LSG in Tajikistan (May/June) • Finalize and conduct four regional seminars on local government systems and roles.
<i>Technical Assistance and Training to Cities/Towns (Task 2)</i>	<ul style="list-style-type: none"> • Piles' temperature measured, watered and turned in Kolkhozabad under composting project. • Public meetings held with more than 650 citizens on waste collection with individual bins in Dangara • 450 individual waste bins distributed in Dangara • Tender conducted for the construction of access road to the new landfill in Jami district • Five year financial plan completed for Tavildara District • Management plan presented to Khojend mayor and accepted for implementation • Vose prepared data to request new fees for solid waste. • 30 people trained on Full Cost Accounting for Services and Setting Fees in Vose District • 76 people trained on Modern Budgeting in Kanibadam and 	<ul style="list-style-type: none"> • Monitor the process of waste collection with individual bins in the pilot streets of Dangara; • Turning and watering of piles in Kolkhozabad; • Conduct Citizens Involvement Workshops in Istaravshan, Kanibadam, Vose, Vahdat • Conduct Workshops on Role and Responsibilities of LSG in Kurgan-Tube and Khujand • Develop Financial Recovery Plan for Khujand Truck Fleet • Provide TA to Jami as it constructs the road to the Jami landfill • Start grant projects in new cities – Kanibadam, Istaravshan, Vose, Vahdat



	Istaravshan Cities, Vose District <ul style="list-style-type: none"> • Deepened Budget Planning in Istaravshan • Public Hearings training in Vahdat City 	
<i>Technical Assistance and Training to Jamoats (Task 3)</i>	<ul style="list-style-type: none"> • Grant projects for Tavildara and Childara Jamoats were finalized 	<ul style="list-style-type: none"> • Conduct Workshop on Role and Responsibilities of LSG in Tavildara • Start a Project on Solid Waste Management Improvement
<i>City Computer Resource Centers and Training Facilities (Task 4)</i>	<ul style="list-style-type: none"> • IT equipment provided for utilities in Kanibadam and Istaravshan 	<ul style="list-style-type: none"> • IT equipment and training for utilities in Vahdat, Kurgan Tube Dangara and Sagirdasht • IT training for Kanibadam and Istaravshan enterprise staff
<i>Study on Civil Registry Information (Task 5)</i>	<ul style="list-style-type: none"> • Finalized task 	<ul style="list-style-type: none"> • na
<i>Expanded Training for Locally Elected and Appointed Officials (Task 6)</i>		<ul style="list-style-type: none"> • Citizen Involvement Workshops to be held for new locally elected officials and council members of Khatlon Oblast.
<i>Assessment of Options to Link Potable Water User Operations to Local Government (Task 7)</i>		<ul style="list-style-type: none"> • Finalize plans for water system improvement in Childara and provide training on forming a citizen advisory committee
<i>Technical Assistance to Review the Opportunities for Housing Maintenance Associations (Task 8)</i>	<ul style="list-style-type: none"> • Completed negotiations with SUE and Ministry of Economy on creation of official working group on TSJ law drafting 	<ul style="list-style-type: none"> • Arrange a Working Meeting for TSJ law drafters • Conduct a Round Table «Management and Maintenance of Housing Stock in Multiunit Buildings» • Working meetings within TSJ Support Program to be held • A Study Tour on Housing Associations to Kyrgyzstan • Selection of the pilot buildings in partner cities • Information campaign for owners

UZBEKISTAN

TASK	RESULTS IN MARCH 2006	UPCOMING ACTIVITIES (next 2 months)
<i>National Policy Development (Task 1)</i>	<ul style="list-style-type: none"> • Prepared sample bylaws of TSJs and agreement between TSJs and owners of non-residential units • Provided assistance to non-governmental partners in preparing CoM resolution and the governmental program on improving TSJ activities and development of the market of housing services • Prepared draft regulations on the Fund of repair and reconstruction of multiunit buildings 	<ul style="list-style-type: none"> • Discuss and promote draft sample bylaws of TSJs and agreement between TSJs and owners of nonresidential units • Provide assistance to local partners in promoting new approaches in state support to TSJs on implementing large scale repair works

<i>Formation of Resident-Controlled Housing Partnerships (Task 2)</i>	<ul style="list-style-type: none"> Delivered a two and half-day seminar "TSJ: Bases of Management" for TSJ leaders in Samarkand and Kokand Plaque hanging ceremonies in Bukhara One-day training in Ahangaran City, Tashkent Province Presentation of "The Best TSJ Practices" competition in Bukhara Received 71 applications from TSJs for participation in the competition Started conducting assessment of TSJs applied to the competition Assisted the Tashkent City Hokimiyat and Association of TSJs to prepare the guidelines of the competition for capital city's TSJs 	<ul style="list-style-type: none"> Prepare recommendations on explaining residents the new Law on TSJs Provide consultations for residents and TSJ leaders (ongoing) Trainings for Andijan, Samarkand TSJ leaders on professional management Finish assessing TSJs – participants of the competition in 2006 Ceremony on announcing the results of TSJ competition Training for winning TSJs on the topic "How to Select Contractor through Tender"
<i>Formation and Support of Regional TSJ Associations (Task 3)</i>	<ul style="list-style-type: none"> Provided all associations of TSJs in pilot sites with informational materials on management companies Provided technical assistance to the Tashkent and Kokand Associations of TSJs Provided informational, methodological assistance and consultations to Nukus City Association of TSJs 	<ul style="list-style-type: none"> Prepare and print bulletin on the experiences of TSJ associations Support consultative activities of Regional Associations of TSJs for their member TSJs Conduct study tour for leaders of TSJs associations to Kokand and Namangan
<i>Public Awareness Campaign (Task 4)</i>	<ul style="list-style-type: none"> Held the sixth of a series of meetings with journalists Participated in radio call-in show of the Radio Station "Do'stlik" 	<ul style="list-style-type: none"> Hold a meeting of journalists (April 25) Publish brochure with recommendations on holding general meetings Participate in Radio Station "Dostlik" call-in shows Study tour for journalists to Kokand and Namangan Publish brochure on successful TSJ activities
<i>Survey on Status of TSJ Reforms (Task 5)</i>	<ul style="list-style-type: none"> Developed a questionnaire form for unit-owners of single-building TSJs for an additional survey Started conducting survey among TSJs that applied to the competition "The Best TSJ Practices 2006" 	<ul style="list-style-type: none"> Finish conducting follow-up surveys in single-building TSJs for assessment of the progress in their activities Disseminate follow-up survey results
<i>Promotion of a Market for Housing Services (Task 6)</i>	<ul style="list-style-type: none"> Prepared informational materials for the seminar for TSJ leaders and chairpersons of management companies on the topic "How to Select Contracting Organizations by Tender" Prepared the first edition of the brochure on selecting contractors Started making arrangements for the study tour to Slovakia and collected necessary documents for visa application 	<ul style="list-style-type: none"> Orientation seminar for the founders of management companies Study tour to one of Eastern European countries (April 20 – 24)
<i>Legal Support to Housing</i>	<ul style="list-style-type: none"> Started the work on development of the seminar for 	<ul style="list-style-type: none"> Finalize development of the seminar for lawyers



<i>Partnerships (Task 7)</i>	lawyers of Associations of TSJs on the topic "Legal Regulation of TSJ Activities and their Associations"	<ul style="list-style-type: none">• Deliver seminar for lawyers• Develop procedures on legal assistance provided by lawyers
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GENDER REPORTING**Kyrgyzstan**

GENDER REPORTING		
Events	Number of participants	Number of females
Press Background Meetings	24	16
Meeting of LRP lawyers	10	3
Seminar on Legal Relationship Between Utilities and Local-Self Governments in Osh	23	3
Seminar on Legal Relationship Between Utilities and Local-Self Governments in Jalal-Abad	30	1
TSJ as an Educated Consumer in Jalal-Abad	20	12
TSJ as an Educated Consumer in Osh	22	14
Bishkek Housing and PZU Issues Seminars	100	80
Total	229	129

Tajikistan

GENDER REPORTING		
Events	Number of participants	Number of females
Trainings	158	33

Uzbekistan

GENDER REPORTING		
Events	Number of participants	Number of females
Trainings for TSJ leaders in Kokand and Samarkand	66	30
Presentation of the competition "The Best TSJ Experiences 2006" in Bukhara	43	4
Seminar on holding general meetings for TSJs in Namangan	47	18
Seminar for TSJ leaders in Ahangaran	47	22
Meeting of journalists in Tashkent	26	8
Total	229	82

ALBANIA LOCAL GOVERNMENT AND DECENTRALIZATION—06901-020
USAID TASK ORDER NO. 813

Task Order No.:	EEU-I-00-99-00015-00, TO No. 813
Date of Issuance:	July 26, 2004
Amount Obligated Under Task Order:	\$2,700,000
Total Potential Task Order Amount:	\$4,099,995
Dollars Expended To-date:	\$ 2,203,740
Key Personnel:	Barry Reed, Chief of Party, 069.208-4957 barry@lgda-al.org

BACKGROUND

In July 2004, United States Agency for International Development (USAID) contracted the Urban Institute (UI) to implement a three-year local government project in Albania. This project will assist the Government of Albania in implementation of its decentralization strategy and in building capacity of local government units to fulfill their newly mandated responsibilities. It will also support association development and focus on increasing citizen participation in targeted units of local government. The project builds on UI's two previous projects in Albania that fostered the environment for ongoing reforms.

HIGHLIGHTS

- LGDA assisted Ministries with drafting of 2006 Budget Instructions
- 12 Regional Meetings to inform local government units on 2006 budget instructions and consult them on SPT/SBT and water transfer
- Target and Non-target Cities approve 2006 budgets using SIAP methodology
- Training courses designed. Successful Cities II for target cities accomplished.
- AAM Leadership has successful study tour to US
- Preparations Complete for Working Group on Municipal Borrowing to Start in April
- National Survey Results disseminated at Press Conference
- The pilot project on Health and Safety Standards for secondary school maintenance results in changes to local budgets

PROGRESS OF MAJOR ACTIVITIES

Following the highly successful end to 2005, LGDA embarked upon 2006 with a wide range of activities and events during Q1. It represented an extremely intense period of work by the LGDA team under both IRs.

Under IR 3.1, LGDA continued to work with the Government of Albania to fully implement the decentralization reforms included in the 2006 budget. LGDA worked with the Ministries of Interior, Finance and Public Works as well as consulting AAM and AAC on drafting the budget implementing regulations to fully implement the new decentralization reforms. As a follow-up, LGDA worked with those same groups and planned, prepared and delivered a series of regional meetings to highlight and explain the changes from the 2006 budget to all local governments. These information/feedback sessions occurred in each region.

The Pilot Project to Test Draft Health and Safety Standards for Secondary School Maintenance continued to move forward with the 3 pilot cities approving their local budgets with funding to begin implementing the draft standards.

LGDA worked with AAM, the Ministry of Interior and the Ministry of Finance to design a process to develop policy consensus for purposes of writing a law on municipal debt. In addition, LGDA participated in other activities related to decentralization: an invitation by the World Bank to cooperate on the decentralization section of the Public Expenditure and Investment Review (PEIR) for Albania and an invitation from the Ministry of Finance to assist in amending the Organic Budget Law, to include a chapter on the local budget process.

Under IR 3.2, local government units, both target and non-target continued to finalize their SIAPs, present them to council commissions, civil society organizations and public at large, and later to council meetings where SIAP documents were approved and included in their final 2006 budgets. LGDA worked with cities to conduct public hearings for their 2006 budgets. LGDA work in this area continues to show tangible improvements and impact. Cities are making improvements to services through the SIAP methodology and the SIAP and other LGDA tools are assisting Cities to establish/increase local revenues.

LGDA also designed a series of new training courses for Municipalities.

Monitoring and evaluation activities continued with City Survey Presentations and the Press Conference on National Citizen Survey on Local Governance.

IR 3.1 Fiscal and Administrative Authority Effectively Decentralized

Focus on Reforms That Expand Local Discretionary Authority

Q1 opened with intensive work on budget instructions. In December, in its 2006 budget, Parliament included a variety of changes in decentralization policy that LGDA helped facilitate. For example, Parliament included funding (for the first time), for investments to local governments through a formula-based transfer. LGDA and the preceding project have sought this change for 5 years. Most recently this was a recommendation developed by an LGDA working group in mid 2005, also discussed at the Policy Dialog and the Parliamentary/Senior Leaders Seminar, as described in earlier reports. The 2006 budget includes 1.5 Billion Lek for this pool. LGDA assisted the Ministry of Interior and the Ministry of Finance to draft the budget instructions for this new pool. LGDA has also assisted the Ministries in developing the budget instructions for an additional 300 million Lek allocation for competitive grants to fund larger projects.



LGDA assisted in the development of budget instructions on the other topics as well (e.g. local budget rules, unconditional transfer pool, water subsidies, etc.).

In March, LGDA in cooperation with the Ministries of Interior, Finance and Public Works, AAM, AAC and the Prime Ministers Office, conducted a series of regional meetings for all local governments to learn about the recent decentralization reforms adopted in the 2006 State budget. LGDA Decentralization Specialists worked with the Ministries on their presentations for each of the reforms developed in the context of decentralization - Transfers (unconditional, earmarked investment), Budget/Treasury, SBT and Water; and on the orientation of the working group and facilitators. The 12 regional meetings took place during the first half of March to disseminate these reforms, and each covered the reforms in the local budget and treasury process as well as proposed reforms to the water decentralization process and to the SPT/SBT. The teams presenting these changes to local governments units included representatives from MoI, MoF, MoPWTT, AAM and LGDA. The meetings were honored with the participation of high level officials, such as Minister of Interior Oлдashi (2 meetings); Deputy Minister of Interior Poni (5 meetings), Deputy Minister of Finance – Budget – Shehu (3 meetings); Deputy Minister of Finance – Tax – Mima (3 meetings); USAID officials (3 meetings). The total number of participants in these meetings was 740 and represented over 80% of all local governments in Albania.

LGDA will provide a full report of the regional meetings in a separate submission to USAID. However, some general findings include:

- General agreement that a formula-based fund allocation is the best way to prevent biased allocations due to political and/or individual preferences.
- Good acceptance and understanding of the new rules and procedures with regard to budget implementation and treasury operations. In a couple of meetings, some LG officials wanted to go even further in budget changes. They suggested city bank accounts and the ability to write checks locally. In addition, many of them expressed concerns about regions and requested more competencies in health and education.
- The transformation of SBT/SPT into one single local tax was supported by most participants. Several local governments openly expressed a desire to have the transfer even sooner than July. There were some concerns about sanctions for non-payment and their ability to collect them. (A good sign in that they are already looking ahead to collection/administration of the tax).
- The reaction of participants with regard to the issue of water sector decentralization was more complex. Although the participants approved of the detailed short and longer term policy solutions presented by the ministry officials, there still is a considerable level of skepticism and distrust that decentralization will actually occur. In several meetings, communes dominated the discussion since they have been running the systems without any type of subsidies compared to other units which had benefited from the subsidy schemes.
- The survey was appreciated by all participants, including communes, as a very effective tool in monitoring the progress of decentralization and increased local autonomy not only in the technical point of view, but also as a measure of service delivery quality and citizen satisfaction with local government performance.

LGDA staff worked with the Government of Albania on developing a “Water Strategy Paper” to fully implement decentralization of the water sector. The policy will provide for maximum participation of local governments in establishing the process for decentralizing. Moreover, the policy will explicitly state that policy differences during the negotiations should be resolved in favor of the local governments. The GoA will also ask donors specifically to adhere to the paper’s intent and help facilitate the quick and easy transfer of water systems.

LGDA also worked with the Ministry of Interior, the Ministry of Finance, the Ministry of Public Works and the Prime Ministers Office in the development of fiche on the next steps in decentralization for the newly constituted Ministerial Committee on Decentralization. The Government has asked LGDA to assist in facilitating these meetings to keep decentralization moving forward.

In addition, during Q1, LGDA reached an agreement with AAM to train a number of local finance directors on the new local budget and treasury procedures who will eventually act as mentors for LG units. Actual trainings will start during Q2.

On the education maintenance pilot project, the three pilot cities have adopted budgets for 2006 which included funding to begin meeting the 8 draft health and safety standards for secondary schools.

- The TOR in Bushat estimated a total of 6.2 million leke to implement the standards in 11 schools and the City Council approved 5 million leke (traditionally, the City allocated 1.2 million leke which would require the City to meet standards in almost 6 years). Calculations demonstrate that during this budget year, 4 standards will be met 100% and the other 4 over 60%;
- Pogradec has 13 pre-university facilities and for 2006 the City is only attempting to meet minimal standards. The Council approved 500.000 leke more maintenance funds than 2005 and an additional 300.000 leke covered from a special fund from the Municipal Budget for Education;
- Berat has 24 pre-university facilities. In consultation and collaboration with school directors and directors of the Economic department of Education sector, Berat allocated 15,000,000 leke for maintenance (20% more than in 2005 budget) and 1,000,000 leke for investment from their own revenues. Yet, during budget discussions, councilors requested more funds allocated to education since it is the future of younger generations.

In addition, two other LGDA target cities have taken the initiative to allocate budget funds based on the 8 education standards.

- Kucova, on its own, decided to implement the draft standards in their 16 schools. Upon receiving the conditional grant for maintenance of education facilities from the regional council in the amount of 10,000,000 leke, the City prepared 3 options of allocating funds for the improvement of facilities to meet the draft standards in the LGDA pilot program. In a joint meeting with stakeholders, they jointly decided on a fourth option, which City Council adopted in the budget session.
- Shkoder became the second target city to start work on meeting the draft standards on their own initiative. As budget adoption time was approaching, the City did not have time to go through the entire process, so they are tackling the issue differently. LGDA (Shkodra RO) convened a meeting with school directors to explain the methodology of the project and request their estimated input on



conditions in their schools. They conducted the TOR process in one of the schools as an example. The directors submitted their estimates and needs for intervention and the City is checking the relevance of these needs with the 8 health and safety standards and figuring out how many of these standards they can finance. Once the budget is adopted, they will set a working group for the true TOR and technical estimation of the schools needs and translate them into financial terms. The City will then establish its priorities for the upcoming maintenance cycle once school ends in June.

- Saranda also heard about the pilot project and requested assistance from LGDA in assessing their facilities against the 8 standards.

As indicated in the Work Plan Year II, LGDA reached agreement with the AAM to have them convene a working group of stakeholders representing different perspectives and interests in the implementation of local borrowing in Albania. Aside from local and central government authorities, this would include persons representing other donor organizations and the banking sector in Albania among others. LGDA remains on schedule with the activity.

During March LGDA finalized all preparatory work for this activity. Francis Conway visited at the end of March and worked out all final details and prepared the local team for facilitating the upcoming sessions. He met with a variety of interested parties and differing viewpoints. He finalized the guidance document for the process. He also worked with the local team and the Ministry of Interior to establish the initial meeting date (April 7) as well as the composition of the working group. All arrangements have been made for the activity to commence in April. In the out-briefing with USAID, Francis also arranged to return in early May to help wrap up the activity and prepare for the World Bank consultant to take the policy consensus and develop a Municipal Debt Law.

The Ministry of Interior contracted through the World Bank for a consultant to write the law on Municipal Borrowing. LGDA has coordinated with their consultant to provide him with policy guidance from a stakeholder group so that he can finish the law. In effect, the work to develop a local borrowing law supported by the World Bank and by USAID (through the LGDA) will complement each other.

Institutionalizing an Open, Participatory and Objective Dialogue

The World Bank indicated that they wanted to prepare the section on decentralization of their Public Expenditure and Institutional Review (PEIR) on Albania in close collaboration with USAID/LGDA. The Bank so far has had a negative assessment of the current state of decentralization. This was most evident at the GTZ decentralization conference where the Bank Country Director suggested there might be a need to revise the entire legal framework for decentralization (although it appears their concerns may rest with the shared functions – like health and education- rather than with exclusive functions). The invitation by the Bank to cooperate on the decentralization section of the PEIR provides a great opportunity to try to harmonize views on decentralization in Albania. There is evidence that the Bank is open to new views on the process to date and that it is willing to consider alternative interpretations of the current state of decentralization in Albania.

In addition, the MoF approached LGDA/USAID about assistance in amending the Organic Budget Law. This law would include a chapter on the local budget process. This is a customary practice in the transition countries that have developed new budget classification systems with IMF and other donor support. As budget instructions are issued yearly, it is vital to codify the changes, as well the annual central/local fiscal

dialog, in law. This is clearly the most important next step in the decentralization process. The invitation from the MoF to USAID would provide an opportunity to participate in this important reform.

During the March visit of Francis Conway, the decentralization team along with CTO Bruce Kay met with the Minister of Finance Ridvan Bode and Deputy Minister of Finance Sherefedin Shehu. The Ministry officially asked for assistance from LGDA in the drafting of a new Organic Budget Law. They asked LGDA to assist them on the section on the local budget. As a follow-up to this initial meeting, LGDA subsequently met with Deputy Minister Shehu and a team from Repim Associates (the DFID financed contractor assisting the Ministry on developing the new Organic Budget Law). Repim asked LGDA to prepare a policy paper on local government budgets, provide technical expertise into their draft of the new law, and eventually conduct a working group dialog on the local government portion of the law.

This legislation, along with the Municipal Debt Law, serves as basically the final building blocks of Albanian decentralization. Therefore, LGDA readily agreed to assist the Ministry. LGDA and the Ministry worked on timing since LGDA was already about to begin the major new initiative on borrowing (see above) and would like to get that activity somewhat settled before tackling this issue. It looks as if work on the organic budget law will not begin until May so it will not stress LGDA resources.

Support for National-Level Local Government Organizations

Following the LGDA assessments of the national level organizations with LG focus (2005 Q2 and Q3), LGDA followed up with the AAM retreat (2005 Q4) aiming at reaffirming the mission, developing a shared vision and subsequent strategies to achieve AAM mission. In addition, AAM and AAC representatives have been actively involved in the consultation sessions and working groups on fiscal changes. LGDA has also involved AAM in facilitating the dialog on Municipal Debt to develop their capacity to undertake such activities in the future.

LGDA, through the FORECAST Program, sponsored a study tour to the US for the leadership of the AAM (and AAC) to see first-hand how similar associations in the US operate. They learned in great depth all of the different roles such an organization can play for its membership. They also saw different methods for financing their operations.

Below the list of participants; six of the mayors represent LGDA target cities.

Names of Participants					
	Name	M/F	Town	Institution	Position
1.	Flamur Bime	M	Gjirokastra	City of Gjirokastra	Mayor
2.	Julian Cani	M	Tirana	Albanian Association of Municipalities (AAM)	Deputy Director of Finance and Administration
3.	Robert Damo	M	Korca	City of Korca	Mayor
4.	Kadri Gega	M	Lushnja	City of Lushnja	Mayor
5.	Ilmi Gjerci	M	Mamias	Mamias, AAC	Mayor, President of Albanian Association of Communes
6.	Artan Haxhi	M	Shkodra	City of Shkodra	Mayor
7.	Agron Haxhimali	M	Tirana	Albanian Association of	Executive Director



				Communes	
8.	Fatos Hodaj	M	Tirana	Albanian Association of Municipalities	Executive Director
9.	Artur Kurti	M	Kucova	City of Kucova	Mayor
10.	Fadil Nasufi	M	Berat	City of Berat	Mayor
11.	Ardjan Turku	M	Elbasan	City of Elbasan	Mayor
12.	Baftjar Zegaj	M	Fier	City of Fier	Mayor

The study tour served three main purposes:

- Review and modify the organizational structure and procedures of the Albanian Association of Municipalities as needed;
- Review and modify the association's operational activities as needed, to include more services to members and more effective advocacy;
- Conduct an effective annual meeting and other formal gatherings.

They conducted a de-briefing session of what they found/learned on March 28. LGDA attended this de-briefing. Each one of the participants expressed their impressions of the trip, their commitment to apply new techniques in their organizational and management activities as well as expressed their gratitude to USAID for the opportunity. The group provided LGDA and Forecast with a draft action plan. It is laudable what they have planned and it appears they met most of the objectives set for the trip by LGDA.

Also noteworthy, the 8 Mayors attending the study tour returned and asked their respective councils to double their budget appropriation to the AAM for 2006 and all approved. It is their first step, both symbolic and tangible, of their support for AAM and their desire to improve the organization.

I.R. 3.2 Strengthening Municipal Capacity and Accountability

Management of Local Services

Q1 of 2006 has been a very active period. LGDA regional staff assisted target cities in presenting SIAPs to Council and community, and preparing them for 2006 budget presentations. More than twenty cities presented to the Council budgets reflecting the recommendation of their SIAPs.

The following schematic summarizes the progress of target cities on improvement of service delivery

CITIES	SIAP Intro to City Council	Survey Presentation	Budget Public Hearings	Budget Presentation to Council
GJIROKAstra REGIONAL OFFICE				
Permet	February 28, 2006	N/A	N/A	March 15, 2006
Saranda	February 27, 2006	Dec 14, 2005	March 2006	March 20, 2006
Gjirokastra	February 9, 2006	N/A	N/A	March 1, 2006
FIER REGIONAL OFFICE				
Kavaje	October 21, 2005	Dec 13, 2005	March 15, 2006	March 27, 2006
Vore	October 28, 2005		February 16, 2006 (Budget Hearing to city staff, councilors, citizens)	March 6, 2006
Kucove	December 15, 2005	Dec 15, 2005	March 2006	March 13, 2006
Patos	Not completed	N/A	February 2006	March 28, 2006
Berat	November 7 (presentation to commissions)	N/A	March 2006 (interest groups, citizen commissions)	March 24, 2006
Fier	November 30, 2005 (presentation to finance and public service commissions)	N/A	February 23, 2006	February 24, 2006
Vlore	February 10, 2006	N/A	March 2006 (interest groups, citizens)	March 6, 2006
SHKODRA REGIONAL OFFICE				
Kukes	December 13, 2005	N/A	February 18 – Consultation with business community February 28 – Consultation with CSOs	March 26, 2006
Bajram Curri	December 14, 2005	N/A	pending	pending
Puke	November 24, 2005	N/A	N/A	February 27, 2006
Shkoder	January 31, 2006	Dec 16, 2005	pending	pending
Lezhe	January 24, 2006	N/A	March 9, 2006 (Budget discussion with CSOs)	March 17, 2006
Rreshen	December 20, 2006	February 1, 2006	March 3, 2006 (Budget discussion with stakeholders)	March 17, 2006
Bushat	February 17, 2006 – presentation to services commission	N/A	N/A	February 22, 2006
POGRADEc REGIONAL OFFICE				
Peshkopi	January 2006	N/A	Consultations in all budget phases; April 5, 2006 – Budget Reporting to CSOs and involvement in 2007 budget	March 15, 2006
Bulqize	December 2005	N/A	N/A	March 2006
Pogradec	December 8 th (Public Hearing gathering citizens, interest groups and city council members)	December 8, 2005	January 2006 – meetings with commissions	February 2006
Prrenjas	January 2006	N/A	January 2006 – meetings with commissions	March 20, 2006
Erseke	December 2005	December 2005	January 2005 (2003-2005 budget analysis); continuous meetings	March 27, 2006
Elbasan	December 2005	December 2005	February 1 & 2, 2006 (2003-2005 budget analysis); Continuous meetings with citizens and stakeholder groups – budgeting with participation	February 28, 2006



The last few target cities introduced their SIAPs to Council during Q1. LGDA regional staff and LGDA Tirana have made every effort to attend the sessions. More detailed information on all those activities has been submitted with the monthly reports. Patos is the only target city which still has the SIAP in progress and only included in the budget the fund allocated to the cleaning service without its relevant outcome indicators (the phenomenon was also pointed out by councilors in the budget discussions).

The next step involved budget approval and 16 out of 23 local governments discussed the budget in commissions and/or have organized public hearings, inviting citizens, stakeholders and civil society organizations. Some of these cities are used to conducting these meetings by tradition (Kucove, Berat, Kavaje, Vore), others have involved the local community in the entire budget cycle in priority setting and participatory budgeting (Peshkopi, Elbasan, Prrenjas), while still other cities have organized informative sessions with the local community and stakeholders. In some cities, LGDA Specialists attending budget hearings have witnessed a very poor level of citizen participation in budget discussions (Patos). (The N/A under this column stands for cities who have discussed the budget formally with relevant council commissions.)

During Q1, 21 cities adopted their 2006 budgets. Two target cities have not yet approved their budgets: Shkodra – which is still dealing some more budget technicalities; and Bajram Curri – which has not benefited from this year's formula re-adjustment and has requested LGDA and MoF assistance on this matter.

The majority of the cities made informative budget presentations to their Council and community. We have included examples of these to USAID-Albania in the monthly reports. Cities included SIAPs as integral parts of their budget and Councils have considered them seriously in their deliberations. Budget presentations also clearly demonstrated they had grasped the financial systems and management techniques LGDA (and the previous project LGAD) had trained them in, like multi year revenue and expenditure trend analysis, using affordability analysis, using discretion provided in the law with respect to take rate and/or base, disaggregate the analysis of revenues by key sources, apply the concepts of operational and capital expenses, etc.

Some cities have successfully used participatory budgeting techniques (usually in conjunction with other donor programs), thus securing citizens' involvement in the entire budget cycle. Other cities have requested LGDA assistance in participatory budgeting for 2007 (Fier).

Most of the cities have increased fees for the selected services for improvement, others have introduced service fees for the first time and still another city, Pogradec, approved a cleaning fee per person rather than per household, as a transparent trade-off for an increase in citizen satisfaction with the service. Many target cities have also adopted clear strategies designed to have service fees cover the entire cost of providing the service over time (usually 2-4 years).

Participation in budget city council meetings has been very good with representatives from city staff, local institutions, civil society organizations and citizens. The majority of the activities have received media attention.

The following table on appropriations for 2006 provides a glimpse at the impact and acceptability of SIAPs in the target cities. We still do not have complete data on some cities.



Gjirokaster Regional Office

City	Service	Actual 2005	Plan 2006	Approved 2006
Permet	Public Lighting	2 277 000	2 352 500	2 352 500
Gjirokaster	Cleaning Service	25 210 000	26 905 000 3 500 000 investments	26 905 000 3 500 000 - investments
Sarande	Cleaning Service	28 079 724 3 600 000 investments	30 928 773 4 482 000 investments	30 928 773 4 482 000 investments

Shkoder Regional Office

City	Service	Actual 2005	Plan 2006	Approved 2006
Shkoder	Public Lighting	5 511 000	17 000 000	20 550 000 (coverage area of lighting service includes 2 more streets as a result of Council Decision)
Lezhe	Cleaning Service	12 000 000	13 000 000	13 000 000
Rreshen	Road and Sidewalk Maintenance	2 056 000	3 000 000 15 000 000 investments	4 100 000 25 000 000 investments (increase of coverage with SIAP unit costs)
Kukes	Road and Sidewalk Maintenance	658 000	2 682 000	3 000 000 (due to investment on a road previously estimated to repair)
B. Curri	Cleaning Service	5 500 000	4 670 000	4 670 000
Puke	Cleaning Service	2 631 000	2 801 000	2 630 000
Bushat	Water Service	5 320 000	7 203 000	to be revised since 2005 calculations are made for 8 months



Fier Regional Office

City	Service	Actual 2005	Plan 2006	Approved 2006
Berat (NT)	Public Lighting	9 600 000	13 950 000	13 950 000
Fier (NT)	Cleaning Service	46 300	46 300 (Option 1) 49 882 (Option 2) 53 800 (Option 3)	53 300.000 (Option 3 - Includes the purchase of a technological vehicle and 100 containers)
Vlore (NT)	Cleaning Service	85 936.699	85 936 699 (value under contract)	85 936 699 (value under contract)
Vore (NT)	Water Service	8 545 000	9 029 000	N/A
Patos (ET)	Cleaning Service	13 439 000	11 000 000 2 000 000 (purchase of a garbage truck) 1 500 000 (to purchase containers)	11 000 000 2 000 000 (purchase of a garbage truck) 1 500 000 (to purchase containers)
Kavaje (ET)	Maintenance of roads & sidewalks	1 262 244	841 496	841 496
	Public Lighting	1 301 100	1 252 200	1 252 200
	Maintenance of facades of the city buildings	4 169 000	4 560 432	4 560 432 Even though Kavaja approved a total sum for the entire Communal Enterprise, these services will be allocated the same amount as informed by SIAP.
Kucove (ET)	Cleaning Service	14 317 000	16 000 000	16 000 000
	Public Lighting	4 241 300	5 250 000	5 250 000
	Water Service	66 000 000	Not approved	The Water-Waste Enterprise is CG funded.

While the above data shows the impact of LGDA in target cities receiving intensive technical assistance, LGDA can also demonstrate its impact goes beyond just the target cities. The following will show some of the results in these non-target cities. LGDA Mentors – city employees from target cities – provide minimal assistance as a follow up to LGDA training for these cities. But, the non-target cities are responding. By

the end of the quarter, 23 non-targets had adopted SIAPs in their 2006 budget. Moreover, a few others used other LGDA methodology (sometimes contained in the SIAP without adopting entire SIAP) in their budgets. A few cities may yet adopt SIAPs for 2006 in April. In addition, some non-target cities have approached LGDA about assistance on implementing SIAP. Usually, these cities do not receive Mentor assistance. (LGDA has already agreed to assist Rubik with a SIAP on Solid Waste Disposal in conjunction with neighboring Rreshen.) Finally, because the Mentor program has so successfully spread LGDA programming to non-target cities, LGDA will try and identify additional Mentors to continue increasing program coverage to more and more Municipalities.

The following represents a few highlights related to non-target cities:

- Pegin Budget Approved with SIAPs

The final budget included all three SIAPs prepared. For the public lighting service, the city applied a fee for the first time (200 leke/household), aiming at a collection rate of 500,000 leke/year.

- Konispol Budget Approved with SIAP

SIAP presentation in Konispol was a big event for the City. It was received with uncommon interest. Making use of citizens' willingness to pay for a better cleaning service (a key result from their user survey done through the SIAP), the City Council unanimously decided to introduce a cleaning fee of 200 leke/household.

The mayor emphasized that cleanliness of the city was becoming a real issue especially when a lot more foreign visitors had expressed willingness to visit the city. Therefore, for the mere purposes of raising community awareness on city cleanliness, he requested a SIAP presentation to the high school teachers and students, business community and other interested stakeholders. The event is scheduled to take place during April.

Council members thanked LGDA project for the assistance and they asked for more training to improve the capacities of Municipal Council.

- Kamez Budget Approved with SIAP

The City Council approved SIAP as a methodology for use in the budget process in December. In March, the City approved its 2006 budget with the complete SIAP included.

During 2005, the cleaning fee applied to the entire population was 300 leke/household and tax collection for the year was marked 0 leke. Therefore, SIAP included 1,250 families in the paying scheme (households from the target zones – zones receiving donor support) and set a cleaning fee at 400 leke/household. In addition, SIAP included an increase in the communal enterprise funds from 25 mil leke in 2005 to 35 mil



leke in 2006 (90% of the funds is used for the cleaning service and the rest for greenery, etc). In turn, this increase of funds requires a reorganization of the work within the communal enterprise.

- Sukth Budget Approved with SIAP

Having been approved as a methodology among staff and public service commission, SIAP was incorporated in the 2006 budget in March. For the first time, due to use of SIAP, the City allocated funds for roads maintenance (1.650.000 leke).

- Vau i Dejes Budget Approved with SIAP

The original SIAP document stipulated a 14 mil leke investment for road maintenance. However, Council, approving of the SIAP methodology and wanting to make sure they reached the established targets, approved a budget of 17 mil leke, an additional 3 mil leke. Shkodra TV1 was present and broadcast the event.

- Shijak Budget Approved with SIAP

In December 2005, the Cleaning Service SIAP methodology was approved in a city council hearing. In March the City Council approved the final SIAP with the following results:

In 2005, the City applied the same cleaning fee for all households - 300 leke;

- In 2006, based on the SIAP document, the City Council approved a categorization of fees:
 - 500 leke/household;
 - 300 leke/household living on economic benefits;
 - 100 leke/household for the elderly; and
 - 10% of fee increase for businesses.
- They also approved an additional allocation of 1.000.000 leke to increase the frequency of cleaning. A new bidding process for the service will be undertaken soon. They intend to include performance indicators from their SIAP for evaluating the contractor.

- City of Memaliaj Budget Approved with SIAP

City Council approved the 2006 budget which increased the cleaning service budget by 150,000 leke for expanding the service to un-served areas and purchasing small capacity bins, as well as, placing 5 large-size bins, donated from donors

- City of Koplik Budget Approved with SIAP

The SIAP working group presented their final SIAP to the City Council at a public hearing. Subsequently, the Council approved the 2006 budget with the SIAP included. In 2005 households paid a 200 leke fee for cleaning service, in the approved 2006 budget the council increased the fee and by distinguished between households living on economic benefits (300 lek/household) and other families (400 lek/household). The Council received media attention on both deliberations of commissions (March 28) and the overall Council budget session (March 29). The SIAP introductory session was transmitted in full.

- City of Tepelena Budget Approved with SIAP

City Council adopted their SIAP and increased the budget for the cleaning service by 200.000 leke (from 5, 600, 000 leke in 2005 into 5, 800,000 leke in 2006) to expand the cleaning service to previously un-served areas of the city.

- City of Kelcyra Budget Approved with SIAP

City Council approved their SIAP on Water Supply. They included a fund of 1, 500, 000 leke for installing water meters in 150 single family houses.

- City of Selenica Budget Approved with SIAP

The City Council approved their budget with a SIAP for the cleaning service. Council included 170.000 leke more than 2005.

- City of Ballsh Budget Approval

Due to a conflict between the Mayor and the City Council chair, the SIAP for public lighting was never formally introduced to Council. However, the Council did approve the fiscal package contained in the SIAP document. They introduced for the first time a fee on public lighting. City Council approved this fee on businesses (500 leke/year for small business and 800 leke/year for medium business) and institutions (5,000 leke/year), exempting households for the moment (the SIAP recommended a household fee as well). The City showed its willingness to increase its own source revenues, even in an election year. So, although the City Council has not yet approved the SIAP Action Plan on Public Lighting, it still included the SIAP fiscal package into its 2006 budget.

Under the LGDA capacity building program, during Q1 LGDA devoted its resources to designing a new series of training courses. LGDA completed design of 4 new training courses, these include: Successful Cities II, City Council II, Media Training on Local Governance and Civil Society Training on Local Governance.

LGDA delivered the Successful Cities II training for target cities during Q1. The trainings had the following participation:

Shkoder	March 21	13 Participants from 4 Target Cities
Pogradec	March 24	16 participants from 6 target cities
Fier	March 29	29 participants from 7 target cities
Gjirokaster	March 30	12 Participants from 3 Target cities

Almost all Cities have now approved their budgets and additionally the funds for SIAPs. However, the Successful Cities II training worked with cities on the need to improve communicating the progress and results of budgeting (and SIAP) to the community, involving them in the process and furthermore engaging them in the monitoring of SIAPs.



The trainings were very interactive and participants were actively involved in the discussions and exercises. The sessions conclude with city teams developing an action plan for implementing what they have learned at the training. For example, the City of Shkoder plans to improve the functioning of its Information Office. :

The rest of the trainings are already scheduled to be delivered throughout Q2.

Administrative Procedures

Work continued to progress during Q1 with the demonstration cities on this activity. Kucove had finished their project in 2005 Q4. Moreover, additional cities have approached LGDA for assistance and begun activities as well.

Fier Municipality completed its SIAP on administrative procedures dealing with improving Fee and Tax Collections from households. They did this on their own initiative following presentations by LGDA on Trust Building and use of SIAP methodology for making administrative improvements.

Idea for drafting this plan originated SIAP on the Cleaning Service that Fier Municipality drafted in the context of 2006 Budget. It was noticed when presenting the material to the city council commissions that the number of households involved in the payment scheme was only 10,000 out of 20,992 households actually living in the city. The council members suggested working on having more households paying the fee, but having a lower rate of fee increase.

Taking this suggestion into consideration, the Mayor agreed to establish a WG, which will work on increasing the number of households that pay local taxes and fees.

Shkoder Municipality began work on a SIAP to improve business registration and re-registration process. They hope to reduce fiscal evasion, increase transparency etc. Aware that the Kucova model is not a 'one size fits all' model, Shkodra officials visited Kucova to have a better insight on the process, and agreed to work on the area of business licensing procedures, yet implemented in a different way. The working group agreed to have a One Stop Shop represented from two institutions, the Municipality and Tax Office, who will have Memoranda of Understanding with all other institutions involved in the process of business licensing. Recently, their efforts have slowed. The City has begun to show some hesitancy on the issue. A recent meeting called by GTZ with the General Directorate of Taxes, Local Directorate of Taxes, Chamber of Commerce and Industry, Prefecture etc, discussed the issue and institutional co-operation among the Central Government and Local Government and de-concentrated agencies at local level emerged of prime importance. LGDA attended the meeting and will continue to provide support.

Erseka Municipality started a SIAP on administrative procedures that focuses on increasing the payment rate of fees and taxes from households by intensifying communication with them. The tax director is working on identifying the neighborhoods which have lower levels of payment and is likewise analyzing all methods employed in setting the dues and other relevant consultations.

Saranda is one of the demonstration cities that EDEM and LGDA selected to jointly work on preparing a SIAP on administrative procedures to improve the business climate. City staff welcomed the initiative, aware now that by law (enforced as of January 1, 2006) they have the right to register businesses and issue permits. LGDA in cooperation with IDRA (EDEM sub-contractor) followed up with a presentation for

all relevant departments in the City of Saranda on the new procedures that will be involved as a result of this SIAP.

Pogradec is once again demonstrating that city staff is quick in 'learning by doing'. The national survey results on the cleaning service as well as the low percentage of households paying the cleaning fee have triggered Pogradec to embark upon increasing the awareness of citizens in keeping their neighborhoods clean as well as paying the fees. The working group decided on targeting the 8-grade pupils who are still very closely related to their families. They will soon organize a picture contest where pupils will express their image of a clean neighborhood and will try to implement in cooperation with donors.

Lezhe, taking pride in their SIAP on the cleaning service, requested LGDA Shkodra team to assist them with a SIAP on municipal tax collection. The request came from the mayor, director of taxes, director of finance and two councilors. Should this request materialize, Lezhe will be the third City, which in a very short time, starts an improvement of administrative procedures on their own initiative (after Kucove and Fier).

Financial Systems and Management

Two LGDA clusters of target cities have accomplished the assessment of financial systems and management techniques. Due to intensive work of regional offices in assisting the Cities with budget preparations, the other two clusters are expected to submit their assessments within Q2. Then, LGDA decentralization specialists will prepare a report based on the assessment findings by also using 2006 budget preparations and/or presentations of Cities as a monitoring tool of application of these techniques.

MONITORING AND EVALUATION

During Q1 target cities concluded presenting their City Survey findings to their Councils and Community. In addition, LGDA held a press conference in February 2006 to introduce the national survey results to the public. Later that day, the results were presented in a policy round table for discussion about their impact on decentralization. Some of the survey results will be included in the 2006 PMOP submission later this year.

ADMINISTRATION

USAID informally informed LGDA of a \$100,000 decrease in the task order amount. LGDA subsequently sent the CTO a letter outlining its actions to meet the decreases task order.

DELIVERABLES AND REPORTS

Report on National Citizen Survey on Local Government.

PROBLEMS OR DELAYS AFFECTING THE TASK ORDER PERFORMANCE



None during Q1.

WORK PLANNED FOR THE NEXT REPORTING PERIOD

Fiscal and Administrative Decentralization

- Conduct Working Group meetings on Debt Financing
- Assist to Facilitate Transfer of Water Systems to Local Governments
- Conduct working group meetings on Organic Budget Law
- Conduct Seminar for Line Ministries
- Prepare Assessment of Health and Education Decentralization

Strengthening Municipal Capacity and Accountability

- Start of 2007 SIAPs
- Prepare Report on Local Fiscal Policy and Improved Financial Management
- Deliver the following Training Courses:
 - Strengthening City Council (City Council II) (target cities)
 - Civil Society Course on Local Governance (target cities)
 - Local Governance for Media (target cities)
 - Successful Cities II (non-target cities)

SPECIFIC ACTION REQUESTED

None at this time.